

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6062

Chapter 149, Laws of 1997

(partial veto)

55th Legislature
1997 Regular Session

OPERATING BUDGET, 1997-1999

EFFECTIVE DATE: 7/1/97

Passed by the Senate April 19, 1997
YEAS 26 NAYS 0

CERTIFICATE

OWEN
President of the Senate

BRAD

I, Mike O'Connell,
Secretary of the Senate
of the State of
Washington, do hereby
certify that the
attached is **SUBSTITUTE
SENATE BILL 6062** as
passed by the Senate and
the House of
Representatives on the
dates hereon set forth.

Passed by the House April 17, 1997
YEAS 53 NAYS 44

BALLARD
**Speaker of the
House of Representatives**

CLYDE

O'CONNELL

Sec

Approved April 23, 1997, with
the exception of sections 125,
202, 203, 207(1) & (6), 211(3),
212(2), 213(1), 214, 222(2),
301, 302(3), (4), (5), (6),
(17), (19), (20), (21), & (22),
307, 501, 503, 504, 510, 514,
515(3), (4), & (5), 517, 601,
602, 603, 604, 605, 606, 607,
608, 609, 610(1), (2), & (3),
611, 714, 716, 719 (lines 6-26),
and 916, which are vetoed.

FILED

April 23, 1997 - 1:55 p.m.

LOCKE
Governor of the State of Washington

GARY

**Secretary
of State
State of
Washington**

SUBSTITUTE SENATE BILL 6062

AS RECOMMENDED BY CONFERENCE COMMITTEE

Passed Legislature - 1997 Regular Session

State of Washington 55th Legislature 1997 Regular Session

By Senate Committee on Ways & Means (originally sponsored by Senators West and Spanel; by request of Governor Locke)

Read first time 03/26/97.

AN ACT Relating to fiscal matters; making appropriations and authorizing expenditures for the operations of state agencies for the fiscal biennium beginning July 1, 1997, and ending June 30, 1999; amending RCW 43.08.250, 69.50.520, 79.24.580, and 86.26.007; reenacting and amending RCW 82.44.110; creating new sections; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** (1) A budget is hereby adopted and, subject to the provisions set forth in the following sections, the several amounts specified in the following sections, or so much thereof as shall be sufficient to accomplish the purposes designated, are hereby appropriated and authorized to be incurred for salaries, wages, and other expenses of the agencies and offices of the state and for other specified purposes for the fiscal biennium beginning July 1, 1997, and ending June 30, 1999, except as otherwise provided, out of the several funds of the state hereinafter named.

(2) Unless the context clearly requires otherwise, the definitions in this section apply throughout this act.

(a) "Fiscal year 1998" or "FY 1998" means the fiscal year ending June 30, 1998.

(b) "Fiscal year 1999" or "FY 1999" means the fiscal year ending June 30, 1999.

(c) "FTE" means full time equivalent.

(d) "Lapse" or "revert" means the amount shall return to an unappropriated status.

(e) "Provided solely" means the specified amount may be spent only for the specified purpose. Unless otherwise specifically authorized

in this act, any portion of an amount provided solely for a specified purpose which is unnecessary to fulfill the specified purpose shall lapse.

PART I
GENERAL GOVERNMENT

NEW SECTION. **Sec. 101. FOR THE HOUSE OF REPRESENTATIVES**

General Fund Appropriation (FY 1998).....	\$	24,241,000
General Fund Appropriation (FY 1999).....	\$	25,637,000
TOTAL APPROPRIATION.....	\$	49,878,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$75,000 of the general fund fiscal year 1998 appropriation and \$75,000 of the general fund fiscal year 1999 appropriation are provided solely for the independent operations of the legislative ethics board. Expenditure decisions of the board, including employment of staff, shall be independent of the senate and house of representatives.

(2) \$25,000 of the general fund fiscal year 1998 appropriation is provided solely to implement Substitute Senate Concurrent Resolution No. 8408 (water policy report). If the concurrent resolution is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

NEW SECTION. **Sec. 102. FOR THE SENATE**

General Fund Appropriation (FY 1998).....	\$	19,357,000
General Fund Appropriation (FY 1999).....	\$	20,663,000
TOTAL APPROPRIATION.....	\$	40,020,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$75,000 of the general fund fiscal year 1998 appropriation and \$75,000 of the general fund fiscal year 1999 appropriation are provided solely for the independent operations of the legislative ethics board. Expenditure decisions of the board, including employment of staff, shall be independent of the senate and house of representatives.

(2) \$25,000 of the general fund fiscal year 1998 appropriation is provided solely to implement Substitute Senate Concurrent Resolution No. 8408 (water policy report). If the concurrent resolution is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(3) \$100,000 of the general fund appropriation for fiscal year 1998 is provided solely for a study of financial aid and tuition by the senate committee on ways and means and the house of representatives committee on appropriations.

(a) The study shall report on the current usage and distribution of financial aid, investigate other resources available to financial aid recipients, and shall compare alternative methods of financial aid distribution and their impacts on the sectors of higher education and students served within each sector.

(b) The study shall also provide comparative data from other states on methods of establishing tuition rates and the relationship of tuition to state funding.

NEW SECTION. Sec. 103. FOR THE JOINT LEGISLATIVE AUDIT AND REVIEW COMMITTEE

General Fund Appropriation (FY 1998).....	\$	1,524,000
General Fund Appropriation (FY 1999).....	\$	1,837,000
TOTAL APPROPRIATION.....	\$	3,361,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$103,000 of the general fund fiscal year 1998 appropriation and \$412,000 of the general fund fiscal year 1999 appropriation are provided solely to implement Engrossed Substitute Senate Bill No. 5633 (performance audit of the department of transportation). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(2) \$50,000 of the general fund appropriation for fiscal year 1998 is provided solely to implement Substitute Senate Bill No. 5071 (school district territory). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 104. FOR THE LEGISLATIVE EVALUATION AND ACCOUNTABILITY PROGRAM COMMITTEE

General Fund Appropriation (FY 1998).....	\$	1,263,000
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General Fund Appropriation (FY 1999).....	\$	1,332,000
TOTAL APPROPRIATION.....	\$	2,595,000

The appropriations in this section are subject to the following conditions and limitations: The committee shall conduct an inventory and examination of state data processing projects funded in this act and make recommendations to improve the accountability and legislative evaluation and oversight of these projects.

NEW SECTION. **Sec. 105. FOR THE OFFICE OF THE STATE ACTUARY**

Department of Retirement Systems Expense Account

Appropriation.....	\$	1,681,000
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NEW SECTION. **Sec. 106. FOR THE JOINT LEGISLATIVE SYSTEMS COMMITTEE**

General Fund Appropriation (FY 1998).....	\$	5,430,000
General Fund Appropriation (FY 1999).....	\$	5,430,000
TOTAL APPROPRIATION.....	\$	10,860,000

The appropriations in this section are subject to the following conditions and limitations: \$800,000 of the general fund fiscal year 1998 appropriation and \$800,000 of the general fund fiscal year 1999 appropriation are provided solely for purchasing computers and related equipment on behalf of the senate, house of representatives, and statute law committee. Equipment shall be purchased only at the request of the customer agencies.

NEW SECTION. **Sec. 107. FOR THE STATUTE LAW COMMITTEE**

General Fund Appropriation (FY 1998).....	\$	3,226,000
General Fund Appropriation (FY 1999).....	\$	3,559,000
TOTAL APPROPRIATION.....	\$	6,785,000

The appropriations in this section are subject to the following conditions and limitations: \$35,000 of the general fund fiscal year 1998 appropriation and \$36,000 of the general fund fiscal year 1999 appropriation are provided solely for the uniform legislation commission.

NEW SECTION. **Sec. 108. FOR THE SUPREME COURT**

General Fund Appropriation (FY 1998).....	\$	4,640,000
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General Fund Appropriation (FY 1999).....	\$	4,813,000
TOTAL APPROPRIATION.....	\$	9,453,000

NEW SECTION. **Sec. 109. FOR THE LAW LIBRARY**

General Fund Appropriation (FY 1998).....	\$	1,769,000
General Fund Appropriation (FY 1999).....	\$	1,785,000
TOTAL APPROPRIATION.....	\$	3,554,000

NEW SECTION. **Sec. 110. FOR THE COURT OF APPEALS**

General Fund Appropriation (FY 1998).....	\$	10,225,000
General Fund Appropriation (FY 1999).....	\$	10,133,000
TOTAL APPROPRIATION.....	\$	20,358,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$271,000 of the general fund fiscal year 1999 appropriation is provided solely for an additional judge position and related support staff in division I, effective July 1, 1998.

(2) \$490,000 of the general fund fiscal year 1998 appropriation is provided solely for remodeling existing space in division I court facilities to house additional staff.

NEW SECTION. **Sec. 111. FOR THE COMMISSION ON JUDICIAL CONDUCT**

General Fund Appropriation (FY 1998).....	\$	652,000
General Fund Appropriation (FY 1999).....	\$	653,000
TOTAL APPROPRIATION.....	\$	1,305,000

NEW SECTION. **Sec. 112. FOR THE ADMINISTRATOR FOR THE COURTS**

General Fund Appropriation (FY 1998).....	\$	12,723,000
General Fund Appropriation (FY 1999).....	\$	12,595,000
Public Safety and Education Account Appropriation.....	\$	31,134,000
Judicial Information Systems Account Appropriation.....	\$	16,305,000
TOTAL APPROPRIATION.....	\$	72,757,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Funding provided in the judicial information systems account appropriation shall be used for the operations and maintenance of

technology systems that improve services provided by the supreme court, the court of appeals, the office of public defense, and the office of the administrator for the courts. \$400,000 of the judicial information systems account appropriation is provided solely for the year 2000 date conversion.

(2) No moneys appropriated in this section may be expended by the administrator for the courts for payments in excess of fifty percent of the employer contribution on behalf of superior courts judges for insurance and health care plans and federal social security and medicare and medical aid benefits. Consistent with Article IV, section 13 of the state Constitution and 1996 Attorney General's Opinion No. 2, it is the intent of the legislature that the cost of these employer contributions shall be shared equally between the state and county or counties in which the judges serve. The administrator for the courts shall continue to implement procedures for the collection and disbursement of these employer contributions.

(3) \$6,510,000 of the public safety and education account appropriation is provided solely for the continuation of treatment alternatives to street crimes (TASC) programs in Pierce, Snohomish, Clark, King, Spokane, and Yakima counties.

(4) \$125,000 of the public safety and education account appropriation is provided solely for the workload associated with the increase in state cases filed in Thurston county superior court.

(5) \$223,000 of the public safety and education account appropriation is provided solely for the gender and justice commission.

(6) \$308,000 of the public safety and education account appropriation is provided solely for the minority and justice commission.

(7) \$100,000 of the general fund fiscal year 1998 appropriation and \$100,000 of the general fund fiscal year 1999 appropriation are provided solely for judicial program enhancements. Within the funding provided in this subsection, the office of administrator of courts in consultation with the supreme court shall determine the program or programs to receive an enhancement.

(8) \$35,000 of the general fund fiscal year 1998 appropriation is provided solely for the implementation of Engrossed Substitute House Bill No. 1771 (guardian certification). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(9) \$100,000 of the general fund fiscal year 1998 appropriation is provided solely for the Snohomish county preprosecution diversion program.

NEW SECTION. Sec. 113. FOR THE OFFICE OF PUBLIC DEFENSE

Public Safety and Education Account

Appropriation..... \$ 12,187,000

The appropriation in this section is subject to the following conditions and limitations:

(1) The cost of defending indigent offenders in death penalty cases has escalated significantly over the last four years. The office of public defense advisory committee shall analyze the current methods for reimbursing private attorneys and shall develop appropriate standards and criteria designed to control costs and still provide indigent defendants their constitutional right to representation at public expense. The office of public defense advisory committee shall report its findings and recommendations to the supreme court and the appropriate legislative committees by September 30, 1998.

(2) \$688,000 of the public safety and education account appropriation is provided solely to increase the reimbursement for private attorneys providing constitutionally mandated indigent defense in nondeath penalty cases.

NEW SECTION. Sec. 114. FOR THE OFFICE OF THE GOVERNOR

General Fund--State Appropriation (FY 1998).....	\$ 5,047,000
General Fund--State Appropriation (FY 1999).....	\$ 4,963,000
General Fund--Federal Appropriation.....	\$
188,000	
Water Quality Account Appropriation.....	\$
700,000	
TOTAL APPROPRIATION.....	\$ 10,898,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,618,000 of the general fund--state appropriation for fiscal year 1998, \$1,520,000 of the general fund--state appropriation for fiscal year 1999, \$700,000 of the water quality account appropriation, and \$188,000 of the general fund--federal appropriation are provided

solely for the implementation of the Puget Sound work plan and agency action items PSAT-01 through PSAT-06.

(2) \$12,000 of the general fund--state appropriation for fiscal year 1998 and \$13,000 of the general fund--state appropriation for fiscal year 1999 are provided for the state law enforcement medal of honor committee for the purposes of recognizing qualified law enforcement officers as provided by chapter 41.72 RCW.

NEW SECTION. **Sec. 115. FOR THE LIEUTENANT GOVERNOR**

General Fund Appropriation (FY 1998).....	\$	282,000
General Fund Appropriation (FY 1999).....	\$	283,000
TOTAL APPROPRIATION.....	\$	565,000

NEW SECTION. **Sec. 116. FOR THE PUBLIC DISCLOSURE COMMISSION**

General Fund Appropriation (FY 1998).....	\$	1,457,000
General Fund Appropriation (FY 1999).....	\$	1,206,000
TOTAL APPROPRIATION.....	\$	2,663,000

The appropriations in this section are subject to the following conditions and limitations: \$306,000 of the general fund fiscal year 1998 appropriation and \$72,000 of the general fund fiscal year 1999 appropriation are provided solely for technology for customer service improvements.

NEW SECTION. **Sec. 117. FOR THE SECRETARY OF STATE**

General Fund Appropriation (FY 1998).....	\$	8,055,000
General Fund Appropriation (FY 1999).....	\$	5,901,000
Archives & Records Management Account--State Appropriation.....	\$	4,032,000
Archives & Records Management Account--Private/Local Appropriation.....	\$	2,553,000
Department of Personnel Service Account Appropriation.....	\$	663,000
TOTAL APPROPRIATION.....	\$	21,204,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$2,355,000 of the general fund appropriation for fiscal year 1998 is provided solely to reimburse counties for the state's share of

primary and general election costs and the costs of conducting mandatory recounts on state measures.

(2) \$2,011,000 of the general fund appropriation for fiscal year 1998 and \$2,536,000 of the general fund appropriation for fiscal year 1999 are provided solely for the verification of initiative and referendum petitions, maintenance of related voter registration records, and the publication and distribution of the voters and candidates pamphlet.

(3) \$99,000 of the general fund appropriation is provided solely for the state's participation in the United States census block boundary suggestion program.

(4) \$125,000 of the fiscal year 1998 general fund appropriation is provided solely for legal advertising of state measures under RCW 29.27.072.

(5) \$45,000 of the general fund fiscal year 1998 appropriation is provided solely for an economic feasibility study of a state horse park.

(6) The election review section under chapter 29.60 RCW shall be administered in a manner consistent with Engrossed Senate Bill No. 5565 (election procedures review).

NEW SECTION. Sec. 118. FOR THE GOVERNOR'S OFFICE OF INDIAN AFFAIRS

General Fund Appropriation (FY 1998).....	\$	185,000
General Fund Appropriation (FY 1999).....	\$	188,000
TOTAL APPROPRIATION.....	\$	373,000

NEW SECTION. Sec. 119. FOR THE COMMISSION ON ASIAN-AMERICAN AFFAIRS

General Fund Appropriation (FY 1998).....	\$	200,000
General Fund Appropriation (FY 1999).....	\$	201,000
TOTAL APPROPRIATION.....	\$	401,000

NEW SECTION. Sec. 120. FOR THE STATE TREASURER

State Treasurer's Service Account

Appropriation.....	\$	11,567,000
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NEW SECTION. Sec. 121. FOR THE STATE AUDITOR

General Fund Appropriation (FY 1998).....	\$	678,000
General Fund Appropriation (FY 1999).....	\$	678,000

State Auditing Services Revolving Account

Appropriation.....	\$	11,928,000
TOTAL APPROPRIATION.....	\$	13,284,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Audits of school districts by the division of municipal corporations shall include findings regarding the accuracy of: (a) Student enrollment data; and (b) the experience and education of the district's certified instructional staff, as reported to the superintendent of public instruction for allocation of state funding.

(2) \$420,000 of the general fund appropriation for fiscal year 1998 and \$420,000 of the general fund appropriation for fiscal year 1999 are provided solely for staff and related costs to audit special education programs that exhibit unusual rates of growth, extraordinarily high costs, or other characteristics requiring attention of the state safety net committee. The auditor shall consult with the superintendent of public instruction regarding training and other staffing assistance needed to provide expertise to the audit staff.

(3) \$250,000 of the general fund fiscal year 1998 appropriation and \$250,000 of the general fund fiscal year 1999 appropriation are provided solely for the budget and reporting system (BARS) to improve the reporting of local government fiscal data. Audits of counties and cities by the division of municipal corporations shall include findings regarding the completeness, accuracy, and timeliness of BARS data reported to the state auditor's office.

NEW SECTION. Sec. 122. FOR THE CITIZENS' COMMISSION ON SALARIES FOR ELECTED OFFICIALS

General Fund Appropriation (FY 1998).....	\$	4,000
General Fund Appropriation (FY 1999).....	\$	63,000
TOTAL APPROPRIATION.....	\$	67,000

NEW SECTION. Sec. 123. FOR THE ATTORNEY GENERAL

General Fund--State Appropriation (FY 1998).....	\$	4,361,000
General Fund--State Appropriation (FY 1999).....	\$	3,631,000
General		Fund--Federal
Appropriation.....	\$	.....
.....		2,248,000

Public Safety and Education Account	
Appropriation.....	\$ 1,300,000
New Motor Vehicle Arbitration Account	
Appropriation.....	\$ 1,094,000
Legal Services Revolving Account	
Appropriation.....	\$ 125,008,000
TOTAL APPROPRIATION.....	\$ 137,642,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The attorney general shall report each fiscal year on actual legal services expenditures and actual attorney staffing levels for each agency receiving legal services. The report shall be submitted to the office of financial management and the fiscal committees of the senate and house of representatives no later than ninety days after the end of each fiscal year.

(2) The attorney general shall include, at a minimum, the following information with each bill sent to agencies receiving legal services: (a) The number of hours and cost of attorney services provided during the billing period; (b) cost of support staff services provided during the billing period; (c) attorney general overhead and central support costs charged to the agency for the billing period; (d) direct legal costs, such as filing and docket fees, charged to the agency for the billing period; and (e) other costs charged to the agency for the billing period. The attorney general may, with approval of the office of financial management change its billing system to meet the needs of its user agencies.

(3) \$300,000 of the fiscal year 1998 general fund--state appropriation is provided for a comprehensive assessment of environmental and public health impacts and for other costs related to pursuing remedies for pollution in the Spokane river basin.

(4) \$640,000 of the fiscal year 1998 general fund--state appropriation and \$210,000 of the fiscal year 1999 general fund--state appropriation are provided solely to implement the supervision management and recidivist tracking program to allow the department of corrections and local law enforcement agencies to share information concerning the activities of offenders on community supervision. No information on any person may be entered into or retained in the program unless the person is under the jurisdiction of the department of corrections.

NEW SECTION. **Sec. 124. FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS**

Securities Regulation Account Appropriation..... \$ 5,445,000

The appropriation in this section is subject to the following conditions and limitations: \$34,000 of the securities regulation account appropriation is provided solely for the implementation of Engrossed House Bill No. 3901 (implementing welfare reform). If the bill is not enacted by June 30, 1997, the amount provided shall lapse.

*NEW SECTION. **Sec. 125. FOR THE DEPARTMENT OF COMMUNITY, TRADE, AND ECONOMIC DEVELOPMENT**

General Fund--State Appropriation (FY 1998)..... \$ 56,361,000

General Fund--State Appropriation (FY 1999)..... \$ 55,351,000

General		Fund--Federal
Appropriation.....	\$.....	
..... 155,278,000		

General Fund--Private/Local Appropriation..... \$ 6,903,000

Public Safety and Education Account

 Appropriation..... \$ 8,781,000

Public Works Assistance Account

 Appropriation..... \$ 2,223,000

Building Code Council Account Appropriation..... \$ 1,318,000

Administrative Contingency Account

 Appropriation..... \$ 1,776,000

Low-Income Weatherization Assistance Account

 Appropriation..... \$ 923,000

State Toxics Control Account Appropriation..... \$ 555,000

Violence Reduction and Drug Enforcement Account

 Appropriation..... \$ 6,042,000

Manufactured Home Installation Training Account

 Appropriation..... \$ 250,000

Washington Housing Trust Account

 Appropriation..... \$ 7,999,000

Public Facility Construction Loan Revolving Account

 Appropriation..... \$ 515,000

TOTAL APPROPRIATION..... \$ 304,275,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$3,282,500 of the general fund--state appropriation for fiscal year 1998 and \$3,282,500 of the general fund--state appropriation for fiscal year 1999 are provided solely for a contract with the Washington technology center. For work essential to the mission of the Washington technology center and conducted in partnership with universities, the center shall not pay any increased indirect rate nor increases in other indirect charges above the absolute amount paid during the 1995-97 biennium.

(2) \$155,000 of the general fund--state appropriation for fiscal year 1998 and \$155,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for a contract with the Washington manufacturing extension partnership.

(3) \$9,964,000 of the general fund--federal appropriation is provided solely for the drug control and system improvement formula grant program, to be distributed in state fiscal year 1998 as follows:

(a) \$3,603,250 to local units of governments to continue the multi-jurisdictional narcotics task forces;

(b) \$500,000 to the department to continue the state-wide drug prosecution assistance program in support of multijurisdictional narcotics task forces;

(c) \$1,306,075 to the Washington state patrol for coordination, investigative, and supervisory support to the multijurisdictional narcotics task forces and for methamphetamine education and response;

(d) \$240,000 to the department for grants to support tribal law enforcement needs;

(e) \$900,000 to drug courts in eastern and western Washington;

(f) \$300,000 to the department for grants to provide sentencing alternatives training programs to defenders;

(g) \$200,000 for grants to support substance-abuse treatment in county jails;

(h) \$517,075 to the department for legal advocacy for victims of domestic violence and for training of local law enforcement officers and prosecutors on domestic violence laws and procedures;

(i) \$903,000 to the department to continue youth violence prevention and intervention projects;

(j) \$91,000 for the governor's council on substance abuse;

(k) \$99,000 for program evaluation and monitoring;

(l) \$100,000 for the department of corrections for a feasibility study of replacing or updating the offender based tracking system.

(m) \$498,200 for development of a state-wide system to track criminal history records; and

(n) No more than \$706,400 to the department for grant administration and reporting.

These amounts represent the maximum Byrne grant expenditure authority for each program. No program may expend Byrne grant funds in excess of the amounts provided in this section. If moneys in excess of those appropriated in this section become available, whether from prior or current fiscal year Byrne grant distributions, the department shall hold these moneys in reserve and may not expend them without a specific appropriation. These moneys shall be carried forward and applied to the pool of moneys available for appropriation for programs and projects in the succeeding fiscal year. As part of its budget request for the succeeding fiscal year, the department shall estimate and request authority to spend any funds remaining in reserve as a result of this subsection.

(4) \$1,000,000 of the general fund fiscal year 1998 appropriation and \$1,000,000 of the general fund fiscal year 1999 appropriation are provided solely to implement Engrossed Substitute House Bill No. 1576 (buildable lands) or Senate Bill No. 6094 (growth management). If neither bill is enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(5) \$4,800,000 of the public safety and education account appropriation is provided solely for indigent civil legal representation services contracts and contracts administration. The amount provided in this subsection is contingent upon enactment of section 2 of Engrossed Substitute House Bill No. 2276 (civil legal services for indigent persons). If section 2 of the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(6) \$643,000 of the general fund--state fiscal year 1998 appropriation and \$643,000 of the general fund--state fiscal year 1999 appropriation are provided solely to increase payment rates for contracted early childhood education assistance program providers. It is the legislature's intent that these amounts shall be used primarily to increase compensation for persons employed in direct, front-line service delivery.

(7) \$75,000 of the general fund--state fiscal year 1998 appropriation and \$75,000 of the general fund--state fiscal year 1999 appropriation are provided solely as a grant for the community connections program in Walla Walla county.

(8) \$300,000 of the general fund--state fiscal year 1998 appropriation and \$300,000 of the general fund--state fiscal year 1999 appropriation are provided solely to contract with the Washington state association of court-appointed special advocates/guardians ad litem (CASA/GAL) to establish pilot programs in three counties to recruit additional community volunteers to represent the interests of children in dependency proceedings. Of this amount, a maximum of \$30,000 shall be used by the department to contract for an evaluation of the effectiveness of CASA/GAL in improving outcomes for dependent children. The evaluation shall address the cost-effectiveness of CASA/GAL and to the extent possible, identify savings in other programs of the state budget where the savings resulted from the efforts of the CASA/GAL volunteers. The department shall report to the governor and legislature by October 15, 1998.

(9) \$75,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for state sponsorship of the "BIO 99" international biotechnology conference and exhibition in the Seattle area in 1999.

(10) \$698,000 of the general fund--state appropriation for fiscal year 1998, \$697,000 of the general fund--state appropriation for fiscal year 1999, and \$1,101,000 of the administrative contingency account appropriation are provided solely for contracting with associate development organizations.

(11) \$50,000 of the general fund--state appropriation for fiscal year 1998 and \$50,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to expand the long-term care ombudsman program.

(12) \$60,000 of the general fund--state appropriation for fiscal year 1998 and \$60,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for implementation of the Puget Sound work plan action item DCTED-01.

(13) \$555,000 of the state toxics control account appropriation is provided solely for the public participation grant program pursuant to RCW 70.105D.070. In administering the grant program, the department shall award grants based upon a state-wide competitive process each year. Priority is to be given to applicants that demonstrate the

ability to provide accurate technical information on complex waste management issues. Amounts provided in this subsection may not be spent on lobbying activities.

(14) \$20,000 of the general fund--state appropriation for fiscal year 1998 is provided solely for a task force on tourism promotion and development. The task force shall report to the legislature on its findings and recommendations by January 31, 1998.

(15) \$71,000 of the general fund--state appropriation for fiscal year 1998 and \$60,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the pacific northwest economic region (PNWER).

(16) \$123,000 of the general fund--state appropriation for fiscal year 1998 and \$124,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the community development finance program.

(17) Within the appropriations provided in this section, the department shall conduct a study of possible financial incentives to assist in revitalization of commercial areas and report its findings and recommendations to the appropriate committees of the legislature by November 15, 1997.

*Sec. 125 was vetoed. See message at end of chapter.

NEW SECTION. **Sec. 126. FOR THE ECONOMIC AND REVENUE FORECAST COUNCIL**

General Fund Appropriation (FY 1998).....	\$	452,000
General Fund Appropriation (FY 1999).....	\$	453,000
TOTAL APPROPRIATION.....	\$	905,000

NEW SECTION. **Sec. 127. FOR THE OFFICE OF FINANCIAL MANAGEMENT**

General Fund--State Appropriation (FY 1998).....	\$	10,178,000
General Fund--State Appropriation (FY 1999).....	\$	9,916,000
General		Fund--Federal
Appropriation.....	\$.....	.....
..... 23,331,000		
TOTAL APPROPRIATION.....	\$	43,425,000

The appropriations in this section are subject to the following conditions and limitations: \$125,000 of the general fund--state appropriation for fiscal year 1998 and \$125,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for staff

support for the implementation of the Washington educational network. Funds shall be transferred to the appropriate agency as required by Substitute House Bill No. 1698 or Substitute Senate Bill No. 5002 or substantially similar legislation (K-20 telecommunications).

NEW SECTION. Sec. 128. FOR THE OFFICE OF ADMINISTRATIVE HEARINGS
Administrative Hearings Revolving Account

Appropriation..... \$ 19,615,000

The appropriation in this section is subject to the following conditions and limitations: \$1,798,000 of the administrative hearings revolving fund appropriation is provided solely to implement Engrossed House Bill No. 3901 (implementing welfare reform). If the bill is not enacted by June 30, 1997, the amount provided shall lapse.

NEW SECTION. Sec. 129. FOR THE DEPARTMENT OF PERSONNEL
Department of Personnel Service Account

Appropriation..... \$ 16,493,000

Higher Education Personnel Services Account

Appropriation..... \$ 1,632,000

TOTAL APPROPRIATION..... \$ 18,125,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall reduce its charge for personnel services to the lowest rate possible.

(2) \$32,000 of the department of personnel service fund appropriation is provided solely for the creation, printing, and distribution of the personal benefits statement for state employees.

(3) The department of personnel service account appropriation contains sufficient funds to continue the employee exchange program with the Hyogo prefecture in Japan.

(4) \$500,000 of the department of personnel service account appropriation is provided solely for the career transition program to assist state employees who are separated or are at risk of lay-off due to reduction-in-force. Services shall include employee retraining and career counseling.

(5) \$800,000 of the department of personnel service account appropriation is provided solely for the human resource data warehouse

to: Expand the type and amount of information available on the state-wide work force; and to provide the office of financial management, legislature, and state agencies with direct access to the data for policy and planning purposes. The department of personnel shall establish uniform reporting procedures, applicable to all state agencies and higher education institutions, for reporting data to the data warehouse by June 30, 1998. The department of personnel will report quarterly to the legislative fiscal committees, the office of financial management, the information services board, and the office of information technology oversight of the department of information services the following items: (a) The number of state agencies that have received access to the data warehouse (it is anticipated that approximately 40 agencies will receive access during the 1997-99 biennium); (b) the change in requests for downloads from the mainframe computer by agencies with access to the data warehouse, to reflect transferring customers use of the mainframe computer to the more economical use of data warehouse information; and (c) a summary of customer feedback from agencies with access to the data warehouse. Authority to expend this amount is conditioned on compliance with section 902 of this act.

(6) The department of personnel has the authority to charge agencies for expenses associated with converting its payroll/personnel computer system to accommodate the year 2000 date change. Funding to cover these expenses shall be realized from the agency FICA savings associated with the pretax benefits contributions plan.

(7) The department of personnel shall charge all administrative services costs incurred by the department of retirement systems for the deferred compensation program. The billings to the department of retirement systems shall be for actual costs only.

NEW SECTION. Sec. 130. FOR THE WASHINGTON STATE LOTTERY

Industrial Insurance Premium Refund

Appropriation..... \$ 9,000

Lottery Administrative Account

Appropriation..... \$ 19,966,000

TOTAL APPROPRIATION..... \$ 19,975,000

NEW SECTION. Sec. 131. FOR THE COMMISSION ON HISPANIC AFFAIRS

General Fund Appropriation (FY 1998)..... \$ 199,000

General Fund Appropriation (FY 1999)..... \$ 208,000

TOTAL APPROPRIATION..... \$ 407,000

NEW SECTION. **Sec. 132. FOR THE COMMISSION ON AFRICAN-AMERICAN AFFAIRS**

General Fund Appropriation (FY 1998)..... \$ 170,000
General Fund Appropriation (FY 1999)..... \$ 168,000
TOTAL APPROPRIATION..... \$ 338,000

NEW SECTION. **Sec. 133. FOR THE PERSONNEL APPEALS BOARD**
Department of Personnel Service Account

Appropriation..... \$ 1,539,000

NEW SECTION. **Sec. 134. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS-
-OPERATIONS**

Dependent Care Administrative Account

Appropriation..... \$ 357,000

Department of Retirement Systems Expense Account

Appropriation..... \$ 31,415,000

TOTAL APPROPRIATION..... \$ 31,772,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,373,000 of the department of retirement systems expense account appropriation is provided solely for the information systems project known as the electronic document image management system. Authority to expend this amount is conditioned on compliance with section 902 of this act.

(2) \$1,259,000 of the department of retirement systems expense account appropriation is provided solely for the information systems project known as the receivables management system. Authority to expend this amount is conditioned on compliance with section 902 of this act.

(3) The department of retirement systems shall complete a study examining whether it would be cost-effective to contract out the administration functions for the dependent care assistance program and shall report to the fiscal committees of the legislature by December 15, 1997.

NEW SECTION. **Sec. 135. FOR THE STATE INVESTMENT BOARD**

State Investment Board Expense Account Appropriation \$ 10,303,000

NEW SECTION. **Sec. 136. FOR THE DEPARTMENT OF REVENUE**

General Fund Appropriation (FY 1998).....	\$	65,033,000
General Fund Appropriation (FY 1999).....	\$	65,320,000
Timber Tax Distribution Account		
Appropriation.....	\$	4,778,000
Waste Reduction/Recycling/Litter Control		
Appropriation.....	\$	100,000
State Toxics Control Account Appropriation.....	\$	67,000
Solid Waste Management Account		
Appropriation.....	\$	92,000
Oil Spill Administration Account		
Appropriation.....	\$	14,000
TOTAL APPROPRIATION.....	\$	135,404,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,540,000 of the general fund appropriation for fiscal year 1998 and \$1,710,000 of the general fund appropriation for fiscal year 1999 are provided solely for senior citizen property tax deferral distribution.

(2) Within the amounts appropriated in this section the department shall conduct a study identifying the impacts of exempting all shellfish species from the tax imposed on enhanced food fish under chapter 82.27 RCW. The study shall include an estimate of the fiscal impacts to state revenues as well as an examination of how such an exemption would impact shellfish-based industries and communities where shellfish-based industries are located. The department shall complete this study and report its findings to the legislature by December 1, 1997.

NEW SECTION. **Sec. 137. FOR THE BOARD OF TAX APPEALS**

General Fund Appropriation (FY 1998).....	\$	885,000
General Fund Appropriation (FY 1999).....	\$	889,000
TOTAL APPROPRIATION.....	\$	1,774,000

NEW SECTION. **Sec. 138. FOR THE MUNICIPAL RESEARCH COUNCIL**

General Fund Appropriation (FY 1998).....	\$	1,651,000
General Fund Appropriation (FY 1999).....	\$	1,743,000
County Research Services Account Appropriation.....	\$	625,000

TOTAL APPROPRIATION..... \$ 4,019,000

The appropriations in this section are subject to the following conditions and limitations: The county research services account appropriation is provided solely to implement Substitute Senate Bill No. 5521 (county research services). If the bill is not enacted by June 30, 1997, the appropriation shall lapse.

NEW SECTION. Sec. 139. FOR THE OFFICE OF MINORITY AND WOMEN'S BUSINESS ENTERPRISES

OMWBE Enterprises Account Appropriation..... \$ 2,357,000

NEW SECTION. Sec. 140. FOR THE DEPARTMENT OF GENERAL ADMINISTRATION

General Fund--State Appropriation (FY 1998).....	\$	1,302,000
General Fund--State Appropriation (FY 1999).....	\$	1,278,000
General		Fund--Federal
Appropriation.....	\$.....	
.....		2,402,000
General Fund--Private/Local Appropriation.....	\$	400,000
Motor Transport Account Appropriation.....	\$	14,120,000
Air Pollution Control Account Appropriation.....	\$	391,000
General Administration Facilities and Services		
	Revolving	Account
Appropriation.....	\$	22,299,000
Central Stores Revolving Account		
Appropriation.....	\$	3,306,000
Energy Efficiency Services Account		
Appropriation.....	\$	180,000
Risk Management Account Appropriation.....	\$	2,328,000
TOTAL APPROPRIATION.....	\$	48,006,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,200,000 of the general fund--state appropriation for fiscal year 1998 and \$1,200,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the purchase of food for distribution to the state's food assistance network and related expenses.

(2) \$25,000 of the general fund--state appropriation for fiscal year 1998 is provided solely for the World War II memorial on the condition that the currently approved design for the World War II memorial be sited on the location selected by the World War II advisory committee and approved and recommended by the capitol campus design advisory committee. This site is immediately south of the Columbia street and 11th avenue axial on the west capitol campus.

(3) Except for the World War II memorial, no additional monuments may be placed on the capitol campus until the completion of the capitol campus monuments and memorial policy by the department of general administration, adoption of the policy by the state capitol committee, and inclusion of the policy in the department of general administration's administrative code.

(4) The department shall not purchase any travel product for any state employee or state official from a vendor who is not a Washington-based seller of travel licensed under chapter 19.138 RCW.

(5) The department shall study the state motor pool vehicle fleet to develop a plan for meeting and exceeding the minimum vehicle mileage standards established by the federal government. The department shall report its findings and conclusions to the appropriate legislative committees by December 1, 1997.

(6) The department shall sell or contract for sale all surplus motor pool fleet vehicles and shall, when cost effective, contract out for the reconditioning, transport, and delivery of the vehicles prior to their sale at auction.

NEW SECTION. Sec. 141. FOR THE DEPARTMENT OF INFORMATION SERVICES

Data Processing Revolving Account

Appropriation.....	\$	3,577,000
K-20 Technology Account Appropriation.....	\$	44,028,000
TOTAL APPROPRIATION.....	\$	47,605,000

The appropriation in this section is subject to the following conditions and limitations:

(1) The department shall provide a toll-free telephone number and operator service staff for the general public to call for information about state agencies. The department may provide such staff, equipment, and facilities as are necessary for this purpose. The director shall adopt rules to fix terms and charges for these

services. All state agencies and the legislature shall participate in the information program and shall reimburse the department of information services in accordance with rules established by the director. The department shall also provide conference calling services for state and other public agencies on a fee-for-service basis.

(2) \$44,028,000 of the K-20 technology account appropriation shall be expended in accordance with the expenditures authorized by the K-20 telecommunications oversight and policy committee as currently existing or as modified by Substitute House Bill No. 1698, Substitute Senate Bill No. 5002, or substantially similar legislation (K-20 telecommunications network).

NEW SECTION. Sec. 142. FOR THE INSURANCE COMMISSIONER

General Fund--Federal Appropriation.....		\$	
106,000			
Insurance Commissioners Regulatory Account			
Appropriation.....	\$	22,431,000	
TOTAL APPROPRIATION.....	\$	22,537,000	

The appropriations in this section are subject to the following conditions and limitations:

(1) \$532,000 of the insurance commissioner's regulatory account appropriation is provided solely for the expenditure of funds received under the consent order with the Prudential insurance company. These funds are provided solely for implementing the Prudential remediation process and for examinations of the Prudential company.

(2) \$206,000 of the insurance commissioner's regulatory account appropriation is provided solely to implement Substitute House Bill No. 1387 (basic health plan benefits). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(3) \$298,000 of the insurance commissioner's regulatory account appropriation is provided solely for technology improvements that will support the electronic filing of insurance rates and contracts and enable regulators and the industry to share information about licensed agents to protect the public from fraudulent sales practices.

NEW SECTION. Sec. 143. FOR THE BOARD OF ACCOUNTANCY

Certified Public Accountants' Account			
Appropriation.....	\$	978,000	

(3) \$459,000 of the liquor revolving account appropriation is provided solely for implementation of Substitute Senate Bill No. 5664 (credit and debit cards purchases in state liquor stores). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(4) \$154,000 of the liquor revolving account appropriation is provided solely for the implementation of Engrossed House Bill No. 3901 (implementing welfare reform). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 147. FOR THE UTILITIES AND TRANSPORTATION COMMISSION

Public Service Revolving Account--State	
Appropriation.....	\$ 24,313,000
Public Service Revolving Account--Federal	
Appropriation.....	\$ 292,000
TOTAL APPROPRIATION.....	\$ 24,605,000

NEW SECTION. Sec. 148. FOR THE BOARD FOR VOLUNTEER FIREFIGHTERS

Volunteer Firefighters' Relief & Pension Administrative	
Account Appropriation.....	\$ 529,000

NEW SECTION. Sec. 149. FOR THE MILITARY DEPARTMENT

General Fund--State Appropriation (FY 1998).....	\$ 8,151,000
General Fund--State Appropriation (FY 1999).....	\$ 11,735,000
General	
Fund--Federal	
Appropriation.....	\$.....
..... 34,314,000	
General Fund--Private/Local Appropriation.....	\$ 238,000
Flood Control Assistance Account Appropriation.....	\$ 3,000,000
Enhanced 911 Account Appropriation.....	\$ 26,782,000
Disaster Response Account--State Appropriation.....	\$ 23,977,000
Disaster Response Account--Federal Appropriation....	\$ 95,419,000
TOTAL APPROPRIATION.....	\$ 203,616,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$3,581,000 of the general fund--state appropriation for fiscal year 1999, \$3,000,000 of the flood control assistance account appropriation, and \$6,197,000 of the general fund--federal

appropriation are provided solely for deposit in the disaster response account to cover costs pursuant to subsection (2) of this section.

(2) \$23,977,000 of the disaster response account--state appropriation is provided solely for the state share of response and recovery costs associated with federal emergency management agency (FEMA) disaster number 1079 (November/December 1995 storms), FEMA disaster 1100 (February 1996 floods), FEMA disaster 1152 (November 1996 ice storm), FEMA disaster 1159 (December 1996 holiday storm), FEMA disaster 1172 (March 1997 floods) and to assist local governmental entities with the matching funds necessary to earn FEMA funds for FEMA disaster 1100 (February 1996 floods).

(3) \$100,000 of the general fund--state fiscal year 1998 appropriation and \$100,000 of the general fund--state fiscal year 1999 appropriation are provided solely for the implementation of a conditional scholarship program pursuant to chapter 28B.103 RCW.

(4) \$35,000 of the general fund--state fiscal year 1998 appropriation and \$35,000 of the general fund--state fiscal year 1999 appropriation are provided solely for the north county emergency medical service.

NEW SECTION. Sec. 150. FOR THE PUBLIC EMPLOYMENT RELATIONS COMMISSION

General Fund Appropriation (FY 1998).....	\$	1,768,000
General Fund Appropriation (FY 1999).....	\$	1,764,000
TOTAL APPROPRIATION.....	\$	3,532,000

NEW SECTION. Sec. 151. FOR THE GROWTH PLANNING HEARINGS BOARD

General Fund Appropriation (FY 1998).....	\$	1,247,000
General Fund Appropriation (FY 1999).....	\$	1,252,000
TOTAL APPROPRIATION.....	\$	2,499,000

NEW SECTION. Sec. 152. FOR THE STATE CONVENTION AND TRADE CENTER State Convention and Trade Center Operating Account

Appropriation.....	\$	27,175,000
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NEW SECTION. Sec. 153. FOR THE CASELOAD FORECAST COUNCIL

General Fund Appropriation (FY 1998).....	\$	489,000
General Fund Appropriation (FY 1999).....	\$	390,000
TOTAL APPROPRIATION.....	\$	879,000

The appropriations in this section are subject to the following conditions and limitations: The appropriations are provided solely to implement Substitute Senate Bill No. 5472 (caseload forecast council). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(End of part)

PART II
HUMAN SERVICES

NEW SECTION. **Sec. 201. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES.** (1) Appropriations made in this act to the department of social and health services shall initially be allotted as required by this act. Subsequent allotment modifications shall not include transfers of moneys between sections of this act except as expressly provided in this act, nor shall allotment modifications permit moneys that are provided solely for a specified purpose to be used for other than that purpose.

(2) The department of social and health services shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation providing appropriation authority, and an equal amount of appropriated state general fund moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(3) The appropriations in sections 202 through 213 of this act shall be expended for the programs and in the amounts listed in those sections.

***NEW SECTION. Sec. 202. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILDREN AND FAMILY SERVICES PROGRAM**

General Fund--State Appropriation (FY 1998)..... \$ 191,716,000
General Fund--State Appropriation (FY 1999)..... \$ 201,581,000

<i>General</i>		<i>Fund--Federal</i>
<i>Appropriation.....</i>	<i>\$.....</i>	
<i>..... 247,553,000</i>		
<i>General Fund--Private/Local Appropriation.....</i>	<i>\$</i>	<i>400,000</i>
<i>Violence Reduction and Drug Enforcement Account</i>		
<i> Appropriation.....</i>	<i>\$</i>	<i>4,230,000</i>
<i> TOTAL APPROPRIATION.....</i>	<i>\$</i>	<i>645,480,000</i>

The appropriations in this section are subject to the following conditions and limitations:

(1) \$16,510,000 of the general fund--state appropriation for fiscal year 1998 and \$17,508,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for purposes consistent with the maintenance of effort requirements under the federal temporary assistance for needy families program established under P.L. 104-193.

(2) \$837,000 of the violence reduction and drug enforcement account appropriation and \$7,228,000 of the general fund--federal appropriation are provided solely for the operation of the family policy council, the community public health and safety networks, and delivery of services authorized under the federal family preservation and support act. Within the funds provided, the family policy council shall contract for an evaluation of the community networks with the institute for public policy and shall provide for audits of ten networks. Within the funds provided, the family policy council may build and maintain a geographic information system database tied to community network geography.

(3) \$577,000 of the general fund--state fiscal year 1998 appropriation and \$577,000 of the general fund--state fiscal year 1999 appropriation are provided solely to contract for the operation of one pediatric interim care facility. The facility shall provide residential care for up to twelve children through two years of age. Seventy-five percent of the children served by the facility must be in need of special care as a result of substance abuse by their mothers. The facility also shall provide on-site training to biological, adoptive, or foster parents. The facility shall provide at least three months of consultation and support to parents accepting placement of children from the facility. The facility may recruit new and current foster and adoptive parents for infants served by the

facility. The department shall not require case management as a condition of the contract.

(4) \$481,000 of the general fund--state fiscal year 1998 appropriation and \$481,000 of the general fund--state fiscal year 1999 appropriation are provided solely for up to three nonfacility-based programs for the training, consultation, support, and recruitment of biological, foster, and adoptive parents of children through age three in need of special care as a result of substance abuse by their mothers, except that each program may serve up to three medically fragile nonsubstance-abuse-affected children. In selecting nonfacility-based programs, preference shall be given to programs whose federal or private funding sources have expired or that have successfully performed under the existing pediatric interim care program.

(5) \$640,000 of the general fund--state appropriation for fiscal year 1998 and \$640,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to fund the provisions of Second Substitute House Bill No. 1862 (community-based alternative response system) or Second Substitute Senate Bill No. 5710 (juvenile care and treatment), including section 2 of the bill. Amounts provided in this subsection to implement Second Substitute House Bill No. 1862 or Second Substitute Senate Bill No. 5710 must be used to serve families who are screened from the child protective services risk assessment process. Services shall be provided through contracts with community-based organizations. If neither bill is enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(6) \$594,000 of the general fund--state appropriation for fiscal year 1998, \$556,000 of the general fund--state appropriation for fiscal year 1999, and \$290,000 of the general fund--federal appropriation are provided solely to fund the provisions of Engrossed Second Substitute House Bill No. 2046 (foster parent liaison). The department shall establish a foster parent liaison in each department of social and health services region of the state and contract with a private provider to implement a recruitment and retention program for foster parents and adoptive families. The department shall provide a minimum of two hundred additional adoptive and foster home placements by June 30, 1998. If the bill is not enacted by June 30, 1997, the amounts in this subsection shall lapse.

(7) \$433,000 of the fiscal year 1998 general fund--state appropriation, \$395,000 of the fiscal year 1999 general fund--state

appropriation, and \$894,000 of the general fund--federal appropriation are provided solely to increase the rate paid to private child-placing agencies.

(8) \$580,000 of the general fund--state appropriation for fiscal year 1998 and \$580,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for development and expansion of child care training requirements and optional training programs. The department shall adopt rules to require annual training in early childhood development of all directors, supervisors, and lead staff at child care facilities. Directors, supervisors, and lead staff at child care facilities include persons licensed as family child care providers, and persons employed at child care centers or school age child care centers. The department shall establish a program to fund scholarships and grants to assist persons in meeting these training requirements. The department shall also develop criteria for approving training programs and establish a system for tracking who has received the required level of training. In adopting rules, developing curricula, setting up systems, and administering scholarship programs, the department shall consult with the child care coordinating committee and other community stakeholders.

(9) The department shall provide a report to the legislature by November 1997 on the growth in additional rates paid to foster parents beyond the basic monthly rate. This report shall explain why exceptional, personal, and special rates are being paid for an increasing number of children and why the amount paid for these rates per child has risen in recent years. This report must also recommend methods by which the legislature may improve the current foster parent compensation system, allow for some method of controlling the growth in costs per case, and improve the department's and the legislature's ability to forecast the program's needs in future years.

(10) \$100,000 of the general fund--state appropriation for fiscal year 1998 and \$100,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for legal costs associated with the defense of vendors operating a secure treatment facility, for actions arising from the good faith performance of treatment services for behavioral difficulties or needs.

(11) \$2,745,000 of the fiscal year 1998 general fund--state appropriation, \$2,745,000 of the fiscal year 1999 general fund--state appropriation, and \$1,944,000 of the general fund--federal

appropriation are provided solely for the category of services titled "intensive family preservation services."

(12) \$2,200,000 of the fiscal year 1998 general fund--state appropriation and \$2,200,000 of the fiscal year 1999 general fund--state appropriation are provided solely to continue existing continuum of care and street youth projects.

(13) \$1,456,000 of the general fund--state appropriation for fiscal year 1998, \$1,474,000 of the general fund--state appropriation for fiscal year 1999 and \$1,141,000 of the general fund--federal appropriation are provided solely for the improvement of quality and capacity of the child care system and related consumer education. The activities funded by this appropriation shall include, but not be limited to: Expansion of child care resource and referral network services to serve additional families, to provide technical assistance to child care providers, and to cover currently unserved areas of the state; development of and incentives for child care during nonstandard work hours; and the development of care for infants, toddlers, preschoolers, and school age youth. These amounts are provided in addition to funding for child care training and fire inspections of child care facilities. These activities shall also improve the quality and capacity of the child care system.

*Sec. 202 was vetoed. See message at end of chapter.

*NEW SECTION. Sec. 203. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--JUVENILE REHABILITATION PROGRAM

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 1998).....	\$	29,732,000
General Fund--State Appropriation (FY 1999).....	\$	28,764,000
General		Fund--Federal
Appropriation.....	\$.....	
.....		16,127,000
General Fund--Private/Local Appropriation.....	\$	378,000
Violence Reduction and Drug Enforcement Account		
Appropriation.....	\$	13,381,000
TOTAL APPROPRIATION.....	\$	88,382,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$445,000 of the violence reduction and drug enforcement account appropriation is provided solely for deposit in the county

criminal justice assistance account solely for costs to the criminal justice system associated with the implementation of RCW 13.04.030 as amended by Engrossed Third Substitute House Bill No. 3900 (revising the juvenile code). If RCW 13.04.030 is not amended by Engrossed Third Substitute House Bill No. 3900 by June 30, 1997, the amount provided in this subsection shall lapse. The amount provided in this subsection is intended to provide funding for county adult court and jail costs associated with the implementation of Engrossed Third Substitute House Bill No. 3900 and shall be distributed in accordance with RCW 82.14.310.

(b) \$4,913,000 of the violence reduction and drug enforcement account is provided solely for the implementation of Engrossed Third Substitute Senate Bill No. 3900 (revising the juvenile code). The amount provided in this subsection is intended to provide funding for county impacts associated with the implementation of Third Substitute Senate Bill No. 3900 and shall be distributed to counties as prescribed in the current consolidated juvenile services (CJS) formula. If the bill is not enacted by June 30, 1997, the amounts provided shall lapse.

(c) \$2,350,000 of the general fund--state fiscal year 1998 appropriation and \$2,350,000 of the general fund--state fiscal year 1999 appropriation are provided solely for an early intervention program to be administered at the county level. Moneys shall be awarded on a competitive basis to counties that have submitted plans for implementation of an early intervention program consistent with proven methodologies currently in place in the state. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation.

(d) \$1,832,000 of the violence reduction and drug enforcement appropriation is provided solely to implement alcohol and substance abuse treatment for locally committed offenders. The juvenile rehabilitation administration shall award these moneys on a competitive basis to counties that have submitted a plan for the provision of treatment services approved by the division of alcohol and substance abuse. The juvenile rehabilitation administration shall develop criteria for evaluation of plans submitted and a timeline for awarding funding and shall assist counties in creating and submitting plans for evaluation. If Engrossed Third Substitute House Bill No.

3900 (juvenile code revisions) is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(e) \$50,000 of the general fund--state fiscal year 1998 appropriation and \$100,000 of the general fund--state fiscal year 1999 appropriation are provided solely for the juvenile rehabilitation administration to contract with the institute for public policy for the responsibilities assigned in Engrossed Third Substitute House Bill No. 3900 (juvenile code revisions). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 1998).....	\$ 49,823,000
General Fund--State Appropriation (FY 1999).....	\$ 52,373,000
General Fund--Private/Local Appropriation.....	\$ 721,000
Violence Reduction and Drug Enforcement Account	
Appropriation.....	\$ 13,156,000
TOTAL APPROPRIATION.....	\$ 116,073,000

The appropriations in this subsection are subject to the following conditions and limitations: \$3,691,000 of the general fund--state fiscal year 1998 appropriation, \$6,679,000 of the general fund--state fiscal year 1999 appropriation, and \$1,555,000 of the violence reduction and drug enforcement account appropriation are provided solely for the implementation of Engrossed Third Substitute House Bill No. 3900 (juvenile code revisions). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 1998).....	\$ 1,874,000
General Fund--State Appropriation (FY 1999).....	\$ 1,623,000
General Fund--Federal Appropriation.....	\$
156,000	
Violence Reduction and Drug Enforcement Account	
Appropriation.....	\$ 421,000
TOTAL APPROPRIATION.....	\$ 4,074,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$92,000 of the general fund--state fiscal year 1998 appropriation and \$36,000 of the general fund--state fiscal year 1999

appropriation are provided solely for the implementation of Substitute Senate Bill No. 5759 (risk classification). If the bill is not enacted by June 30, 1997, the amounts provided shall lapse.

(b) \$206,000 of the general fund--state fiscal year 1998 appropriation is provided solely for the implementation of Substitute House Bill No. 1968 (juvenile offender placement). If the bill is not enacted by June 30, 1997, the amount provided shall lapse.

(c) \$49,000 of the general fund--state fiscal year 1998 appropriation and \$49,000 of the general fund--state fiscal year 1999 appropriation are provided solely for the implementation of Engrossed Third Substitute House Bill No. 3900 (juvenile code revisions). If the bill is not enacted by June 30, 1997, the amounts provided shall lapse.

(d) Within the amounts provided in this subsection, the juvenile rehabilitation administration (JRA) shall develop by January 1, 1998, a staffing model for noncustody functions at JRA institutions and work camps. The models should, whenever possible, reflect the most efficient practices currently being used within the system.

*Sec. 203 was vetoed. See message at end of chapter.

NEW SECTION. **Sec. 204. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MENTAL HEALTH PROGRAM**

(1) COMMUNITY SERVICES/REGIONAL SUPPORT NETWORKS	
General Fund--State Appropriation (FY 1998).....	\$ 167,577,000
General Fund--State Appropriation (FY 1999).....	\$ 170,803,000
General	Fund--Federal
Appropriation.....	\$.....
.....	296,006,000
General Fund--Private/Local Appropriation.....	\$ 4,000,000
TOTAL APPROPRIATION.....	\$ 638,386,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) Regional support networks shall use portions of the general fund--state appropriation for implementation of working agreements with the vocational rehabilitation program which will maximize the use of federal funding for vocational programs.

(b) From the general fund--state appropriations in this subsection, the secretary of social and health services shall assure that regional support networks reimburse the aging and adult services

program for the general fund--state cost of medicaid personal care services that enrolled regional support network consumers use because of their psychiatric disability.

(c) \$2,413,000 of the general fund--state appropriation for fiscal year 1998 and \$2,393,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to directly reimburse eligible providers for the medicaid share of mental health services provided to persons eligible for both medicaid and medicare. To be reimbursed, the service must be covered by and provided in accordance with the state medicaid plan.

(d) \$1,304,000 of the general fund--state appropriation for fiscal year 1998, \$3,356,000 of the general fund--state appropriation for fiscal year 1999, and \$5,056,000 of the general fund--federal appropriation are provided solely for distribution to those regional support networks whose 1997-99 allocation would otherwise be less than the regional support network would receive if all funding appropriated in this subsection (1) of this section for medicaid outpatient mental health services were distributed among all regional support networks at the state-wide average per capita rate for each eligibility category.

(e) At least thirty days prior to entering contracts that would capitate payments for voluntary psychiatric hospitalizations, the mental health division shall report the proposed capitation rates, and the assumptions and calculations by which they were established, to the budget and forecasting divisions of the office of financial management, the appropriations committee of the house of representatives, and the ways and means committee of the senate.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 1998).....	\$	59,496,000
General Fund--State Appropriation (FY 1999).....	\$	59,508,000
General		Fund--Federal
Appropriation.....	\$.....	
.....		127,118,000
General Fund--Private/Local Appropriation.....	\$	30,940,000
TOTAL APPROPRIATION.....	\$	277,062,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The state mental hospitals may use funds appropriated in this subsection to purchase goods and supplies through hospital group purchasing organizations when it is cost-effective to do so.

(b) The mental health program at Western state hospital shall continue to use labor provided by the Tacoma prerelease program of the department of corrections.

(3) CIVIL COMMITMENT

General Fund Appropriation (FY 1998).....	\$	5,423,000
General Fund Appropriation (FY 1999).....	\$	6,082,000
TOTAL APPROPRIATION.....	\$	11,505,000

(4) SPECIAL PROJECTS

General Fund--State Appropriation (FY 1998).....	\$	50,000
General Fund--State Appropriation (FY 1999).....	\$	450,000
General		Fund--Federal
Appropriation.....	\$.....	
.....		3,826,000
TOTAL APPROPRIATION.....	\$	4,326,000

The appropriations in this subsection are subject to the following conditions and limitations: \$50,000 of the general fund--state appropriation for fiscal year 1998 and \$450,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for development and operation of the pilot project for mentally ill offenders described in Substitute Senate Bill No. 6002 (mentally ill offenders). If the bill is not enacted by June 30, 1997, the amounts provided shall lapse.

(5) PROGRAM SUPPORT

General Fund--State Appropriation (FY 1998).....	\$	2,560,000
General Fund--State Appropriation (FY 1999).....	\$	2,395,000
General		Fund--Federal
Appropriation.....	\$.....	
.....		3,111,000
TOTAL APPROPRIATION.....	\$	8,066,000

The appropriations in this subsection are subject to the following conditions and limitations: \$60,000 of the general fund--state appropriation for fiscal year 1998 is provided solely to increase the

department's capacity to carry out legislative intent set forth in RCW 71.24.400 through 71.24.415. To facilitate this activity, the secretary shall appoint an oversight committee of project stakeholders including representatives from: Service providers, mental health regional support networks, the department's mental health division, the department's division of alcohol and substance abuse, the department's division of children and family services, and the department's medical assistance administration. The oversight group shall continue to seek ways to streamline service delivery as set forth in RCW 71.24.405 until at least July 1, 1998.

NEW SECTION. Sec. 205. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--DEVELOPMENTAL DISABILITIES PROGRAM

(1) COMMUNITY SERVICES

General Fund--State Appropriation (FY 1998).....	\$ 140,172,000
General Fund--State Appropriation (FY 1999).....	\$ 142,643,000
General	Fund--Federal
Appropriation.....	\$.....
.....	194,347,000
Health Services Account Appropriation.....	\$ 1,695,000
TOTAL APPROPRIATION.....	\$ 478,857,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$1,695,000 of the health services account appropriation and \$1,835,000 of the general fund--federal appropriation are provided solely for the enrollment in the basic health plan of home care workers with family incomes below 200 percent of the federal poverty level who are employed through state contracts. Enrollment in the basic health plan for home care workers with family incomes at or above 200 percent of poverty shall be covered with general fund--state and matching general fund--federal revenues that were identified by the department to have been previously appropriated for health benefits coverage, to the extent that these funds had not been contractually obligated for worker wage increases prior to March 1, 1996.

(b) \$365,000 of the general fund--state appropriation for fiscal year 1998 and \$1,543,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for employment, or other day

activities and training programs, for young people who complete their high school curriculum in 1997 or 1998.

(c) \$22,974,000 of the general fund--state appropriation for fiscal year 1998 and \$25,111,000 of the general fund--state appropriation for fiscal year 1999, plus any vendor rate increases allotted in accordance with section 213 of this act, are provided solely to deliver personal care services to an average of 6,250 children and adults in fiscal year 1998 and an average of 7,100 children and adults in fiscal year 1999. If the secretary of social and health services determines that total expenditures are likely to exceed these appropriated amounts, the secretary shall take action as required by RCW 74.09.520 to adjust either functional eligibility standards or service levels or both sufficiently to maintain expenditures within appropriated levels. Such action may include the adoption of emergency rules and may not be taken to the extent that projected over-expenditures are offset by under-expenditures elsewhere within the program's general fund--state appropriation.

(d) \$453,000 of the general fund--state appropriation for fiscal year 1998, \$214,000 of the general fund--state appropriation for fiscal year 1999, and \$719,000 of the general fund--federal appropriation are provided solely to continue operation of the united cerebral palsy residential center during the period in which its residents are phasing into new community residences.

(e) \$197,000 of the general fund--state appropriation for fiscal year 1998 and \$197,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to contract with the Washington initiative for supported employment for the purpose of continuing the promotion of supported employment services for persons with disabilities.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 1998).....	\$	63,982,000
General Fund--State Appropriation (FY 1999).....	\$	63,206,000
General		Fund--Federal
Appropriation.....	\$	.....
.....		142,955,000
General Fund--Private/Local Appropriation.....	\$	9,729,000
TOTAL APPROPRIATION.....	\$	279,872,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) With the funds appropriated in this subsection, the secretary of social and health services shall develop an eight-bed program at Yakima valley school specifically for the purpose of providing respite services to all eligible individuals on a state-wide basis, with an emphasis on those residing in central Washington.

(b) \$112,000 of the general fund--state appropriation for fiscal year 1998, \$113,000 of the general fund--state appropriation for fiscal year 1999, and \$75,000 of the general fund--federal appropriation are provided solely for a nursing community outreach project at Yakima valley school. Registered nursing staff are to provide nursing assessments, consulting services, training, and quality assurance on behalf of individuals residing in central Washington.

(c) \$200,000 of the general fund--state appropriation for fiscal year 1998, \$200,000 of the general fund--state appropriation for fiscal year 1999, and \$400,000 of the general fund--federal appropriation are provided solely for the development of a sixteen-bed program at Yakima valley school specifically for the purpose of providing respite services to all eligible individuals on a state-wide basis, with an emphasis on those residing in central Washington.

(3) PROGRAM SUPPORT

General Fund--State Appropriation (FY 1998).....	\$	2,543,000
General Fund--State Appropriation (FY 1999).....	\$	2,517,000
General		Fund--Federal
Appropriation.....	\$	.....
.....		1,645,000
TOTAL APPROPRIATION.....	\$	6,705,000

(4) SPECIAL PROJECTS

General	Fund--Federal	Appropriation...
.....	\$
12,030,000		

NEW SECTION. Sec. 206. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--AGING AND ADULT SERVICES PROGRAM

General Fund--State Appropriation (FY 1998).....	\$	392,045,000
General Fund--State Appropriation (FY 1999).....	\$	416,304,000

General	Fund--Federal
Appropriation.....	\$.....
..... 878,169,000	
Health Services Account Appropriation.....	\$ 6,087,000
TOTAL APPROPRIATION.....	\$ 1,692,605,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The entire health services account appropriation and \$6,076,000 of the general fund--federal appropriation are provided solely for the enrollment in the basic health plan of home care workers with family incomes below 200 percent of the federal poverty level who are employed through state contracts. Enrollment in the basic health plan for home care workers with family incomes at or above 200 percent of poverty shall be covered with general fund--state and matching general fund--federal revenues that were identified by the department to have been previously appropriated for health benefits coverage, to the extent that these funds had not been contractually obligated for worker wage increases prior to March 1, 1996.

(2) \$1,277,000 of the general fund--state appropriation for fiscal year 1998 and \$1,277,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for operation of the volunteer chore program.

(3) \$107,997,000 of the general fund--state appropriation for fiscal year 1998 and \$120,397,000 of the general fund--state appropriation for fiscal year 1999, plus any vendor rate increases allocated to these services in accordance with section 213 of this act, are provided solely to deliver chore, COPES, and medicaid personal care services. If the secretary of social and health services determines that total expenditures are likely to exceed these amounts, the secretary shall take action as required by RCW 74.09.520, 74.39A.120, and 74.09.530 to adjust functional eligibility standards and/or service levels sufficiently to maintain expenditures within appropriated levels. Such action may include the adoption of emergency rules, and shall not be taken to the extent that projected over-expenditures are offset by under-expenditures resulting from lower than budgeted nursing home caseloads.

(4) \$26,000 of the general fund--state appropriation for fiscal year 1998, \$59,000 of the general fund--state appropriation for

fiscal year 1999, and \$85,000 of the general fund--federal appropriation are provided solely to employ registered nurses rather than social workers to fill six of the new field positions to be filled in fiscal year 1998 and seven more of the new positions to be filled in fiscal year 1999. These registered nurses shall conduct assessments, develop and monitor service plans, and consult with social work staff to assure that persons with medical needs are placed in and receive the appropriate level of care.

(5) \$425,000 of the general fund--state appropriation for fiscal year 1998 and \$882,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to implement Second Substitute Senate Bill No. 5179 (nursing facility reimbursement). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(6) A maximum of \$2,193,000 of the general fund--state appropriation for fiscal year 1998 and \$2,351,000 of the general fund--federal appropriation for fiscal year 1998 are provided to fund the medicaid share of any new prospective payment rate adjustments as may be necessary in accordance with RCW 74.46.460.

(7) \$242,000 of the general fund--state appropriation for fiscal year 1998, \$212,000 of the general fund--state appropriation for fiscal year 1999, and \$498,000 of the general fund--federal appropriation are provided solely for operation of a system for investigating allegations of staff abuse and neglect in nursing homes, as provided in Second Substitute House Bill No. 1850 (long-term care standards of care).

(8) \$350,000 of the general fund--state appropriation for fiscal year 1998 and \$382,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to supplement the incomes of disabled legal immigrants who, because of loss of their federal supplemental security income benefit, would otherwise be at risk of placement into a more expensive long-term care setting.

(9)(a) The department shall establish a shadow case mix payment system to educate facilities about payment system alternatives. The department shall provide shadow rates beginning July 1, 1997, based on the following:

(i) The direct care portion of the rate, usually called "nursing services," shall be set under a case mix methodology that classifies residents under the Resource Utilization Group III (RUG-III) Version

5.10 (or subsequent revision) 44 group index maximizing model based on the Minimum Data Set (MDS) Version 2.0.

(ii) Payment to a facility shall be based on facility weighted average case mix data which provides one rate to a facility reflecting its mix of residents. For purposes of determining the facility's cost per case mix unit, the facility average case mix score will be based on the case mix of all residents. For purposes of determining the facility's payment rate, the facility average case mix score shall be based on the case mix of medicaid residents.

(iii) The direct care rates shall be adjusted prospectively each quarter based on the facility's MDS 2.0 data from the quarter commencing six months preceding the rate effective date. For example, the MDSs for 1/1/97 - 3/31/97 shall be used to establish shadow rates for 7/1/97 - 9/30/97.

(iv) Those costs which currently comprise nursing services as defined by chapter 74.46 RCW, excluding therapies, shall be included in the direct care component for case mix.

(v) Data from 1994 cost reports (allowable and audited costs) shall be used to establish the shadow rates. The costs shall be inflated comparable to fiscal year 1998 payment rates, according to RCW 74.46.420.

(vi) Separate prices, ceilings, and corridors shall be established for the peer groups of metropolitan statistical area and nonmetropolitan statistical area.

(b) The following methods shall be used to establish the shadow case mix rates:

(i) A pricing system in which payment to a facility shall be based on a price multiplied by each facility's medicaid case mix. The price, per peer group, shall be established at the median direct care cost per case mix unit.

(ii) A pricing system in which payment to a facility shall be based on a price multiplied by each facility's medicaid case mix. The price, per peer group, shall be based on the cost per case-mix unit of a group of cost-effective benchmark facilities which meet quality standards.

(iii) A corridor-based system in which payment to a facility shall be the facility's allowable cost per case-mix unit adjusted for case mix up to a ceiling and no less than a floor. The floor, per peer group, shall be established at 90 percent of the cost per case-mix unit of a group of cost-effective benchmark facilities which meet

quality standards. The ceiling, per peer group, shall be established at 110 percent of the cost per case-mix unit of the group of benchmark facilities.

(iv) A corridor-based system in which payment to a facility shall be the facility's allowable cost per case-mix unit adjusted for case mix up to a ceiling and no less than a floor. The floor, per peer group, shall be established at 90 percent of the industry-wide median direct care cost per case-mix unit. The ceiling, per peer group, shall be established at 110 percent of the industry-wide median direct care cost per case-mix unit.

(c) The department shall provide all data, information, and specifications of the methods used in establishing the shadow case mix rates to the nursing home provider associations.

(d) It is the legislature's intent that the average state payment for nursing facility services under the new system increase by no more than 175 percent of the health care financing administration nursing home input price index, excluding capital costs. In designing the new payment system, the department shall develop and propose options for the combined direct and indirect rate components that assure this.

(10) \$50,000 of the general fund--state appropriation for fiscal year 1998 and \$50,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for payments to any nursing facility licensed under chapter 18.51 RCW which meets all of the following criteria: (a) The nursing home entered into an arm's length agreement for a facility lease prior to January 1, 1980; (b) the lessee purchased the leased nursing home after January 1, 1980; and (c) the lessor defaulted on its loan or mortgage for the assets of the home after January 1, 1991, and prior to January 1, 1992. Payments provided pursuant to this subsection shall not be subject to the settlement, audit, or rate-setting requirements contained in chapter 74.46 RCW.

(11) \$546,000 of the general fund--state appropriation for fiscal year 1998, \$583,000 of the general fund--state appropriation for fiscal year 1999, and \$1,220,000 of the general fund--federal appropriation are provided solely for an increase in the state payment rates for adult residential care and enhanced adult residential care.

***NEW SECTION. Sec. 207. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ECONOMIC SERVICES PROGRAM**

General Fund--State Appropriation (FY 1998)..... \$ 543,150,000

General Fund--State Appropriation (FY 1999).....	\$ 529,985,000
General	Fund--Federal
Appropriation.....	\$.....
.....	952,618,000
TOTAL APPROPRIATION.....	\$ 2,025,753,000

The appropriations in this section are subject to the following conditions and limitations:

(1) General assistance-unemployable recipients who are assessed as needing alcohol or drug treatment shall be assigned a protective payee to prevent the diversion of cash assistance toward purchasing alcohol or other drugs.

(2) The legislature finds that, with the passage of the federal personal responsibility and work opportunity act and Engrossed House Bill No. 3901, the temporary assistance for needy families is no longer an entitlement. The legislature declares that the currently appropriated level for the program is sufficient for the next few budget cycles. To the extent, however, that currently appropriated amounts exceed costs during the 1997-99 biennium, the department is encouraged to set aside excess federal funds for use in future years.

(3) \$485,000 of the general fund--state fiscal year 1998 appropriation, \$3,186,000 of the general fund--state fiscal year 1999 appropriation, and \$3,168,000 of the general fund--federal appropriation are provided solely to continue to implement the previously competitively procured electronic benefits transfer system through the western states EBT alliance for distribution of cash grants and food stamps so as to meet the requirements of P.L. 104-193.

(4) \$50,000 of the fiscal year 1998 general fund--state appropriation is provided solely for a study of child care affordability as directed in section 403 of Engrossed House Bill No. 3901 (implementing welfare reform). The study shall be performed by the Washington institute for public policy. If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(5) \$500,000 of the fiscal year 1998 general fund--state appropriation and \$500,000 of the fiscal year 1999 general fund--state appropriation are provided solely for an evaluation of the WorkFirst program as directed in section 705 of Engrossed House Bill No. 3901 (implementing welfare reform). The study shall be performed by the joint legislative audit and review committee. If the bill is not

enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(6) \$73,129,000 of the general fund--federal appropriation is provided solely to implement section 402 of Engrossed House Bill No. 3901 (implementing welfare reform). If section 402 of the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(7) \$7,624,000 of the fiscal year 1998 general fund--state appropriation, \$18,489,000 of the fiscal year 1999 general fund--state appropriation, and \$29,781,000 of the general fund--federal appropriation are provided solely for implementation of Engrossed House Bill No. 3901 (implementing welfare reform), including sections 404 and 405. If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

***Sec. 207 was partially vetoed. See message at end of chapter.**

NEW SECTION. Sec. 208. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ALCOHOL AND SUBSTANCE ABUSE PROGRAM

General Fund--State Appropriation (FY 1998).....	\$	14,714,000
General Fund--State Appropriation (FY 1999).....	\$	14,829,000
General		Fund--Federal
Appropriation.....	\$.....	.....
.....		80,497,000
General Fund--Private/Local Appropriation.....	\$	630,000
Violence Reduction and Drug Enforcement Account		
Appropriation.....	\$	72,900,000
TOTAL APPROPRIATION.....	\$	183,570,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$2,062,000 of the general fund--federal appropriation and \$7,482,000 of the violence reduction and drug enforcement account appropriation are provided solely for the grant programs for school districts and educational service districts set forth in RCW 28A.170.080 through 28A.170.100, including state support activities, as administered through the office of the superintendent of public instruction.

(2) \$1,902,000 of the general fund--state fiscal year 1998 appropriation, \$1,902,000 of the general fund--state fiscal year 1999 appropriation, and \$1,592,000 of the general fund--federal

appropriation are provided solely for alcohol and substance abuse assessment, treatment, including treatment for drug affected infants and toddlers, and child care services for clients of the division of children and family services. Assessment shall be provided by approved chemical dependency treatment programs as requested by child protective services personnel in the division of children and family services. Child care shall be provided as deemed necessary by the division of children and family services while parents requiring alcohol and substance abuse treatment are attending treatment programs.

(3) \$760,000 of the fiscal year 1998 general fund--state appropriation and \$760,000 of the fiscal year 1999 general fund--state appropriation are provided solely to fund a program serving mothers of children affected by fetal alcohol syndrome and related conditions, known as the birth-to-three program. The program may be operated in two cities in the state.

(4) \$248,000 of the fiscal year 1998 general fund--state appropriation and \$495,000 of the fiscal year 1999 general fund--state appropriation are provided solely to implement Engrossed Third Substitute House Bill No. 3900 (revising the juvenile code). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 209. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--MEDICAL ASSISTANCE PROGRAM

General Fund--State Appropriation (FY 1998).....	\$ 684,033,000
General Fund--State Appropriation (FY 1999).....	\$ 684,885,000
General	Fund--Federal
Appropriation.....	\$.....
.....	2,038,101,000
General Fund--Private/Local Appropriation.....	\$ 223,900,000
Health Services Account Appropriation.....	\$ 253,004,000
Emergency Medical and Trauma Care Services	
Account Appropriation.....	\$ 4,600,000
TOTAL APPROPRIATION.....	\$ 3,888,523,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department shall continue to make use of the special eligibility category created for children through age 18 and in

households with incomes below 200 percent of the federal poverty level made eligible for medicaid as of July 1, 1994.

(2) It is the intent of the legislature that Harborview medical center continue to be an economically viable component of the health care system and that the state's financial interest in Harborview medical center be recognized.

(3) Funding is provided in this section for the adult dental program for Title XIX categorically eligible and medically needy persons and to provide foot care services by podiatric physicians and surgeons.

(4) \$1,622,000 of the general fund--state appropriation for fiscal year 1998 and \$1,622,000 of the general fund--state appropriation for fiscal year 1999 are provided for treatment of low-income kidney dialysis patients.

(5) \$80,000 of the general fund--state appropriation for fiscal year 1998, \$80,000 of the general fund--state appropriation for fiscal year 1999, and \$160,000 of the general fund--federal appropriation are provided solely for the prenatal triage clearinghouse to provide access and outreach to reduce infant mortality.

(6) The department shall employ the managed care contracting and negotiation strategies defined in Substitute Senate Bill No. 5125 to assure that the average per-recipient cost of managed care services for temporary assistance to needy families and expansion populations increases by no more than two percent per year in calendar years 1998 and 1999.

(7) The department shall seek federal approval to require adult medicaid recipients who are not elderly or disabled to contribute ten dollars per month toward the cost of their medical assistance coverage. The department shall report on the progress of this effort to the house of representatives and senate health care and fiscal committees by September 1 and November 15, 1997.

(8) \$325,000 of the general fund--state appropriation for fiscal year 1998 and \$325,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to increase rates paid for air ambulance services.

NEW SECTION. Sec. 210. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--VOCATIONAL REHABILITATION PROGRAM

General Fund--State Appropriation (FY 1998).....	\$	8,652,000
General Fund--State Appropriation (FY 1999).....	\$	8,592,000

General		Fund--Federal
Appropriation.....	\$.....	
.....	79,542,000	
General Fund--Private/Local Appropriation.....	\$	2,904,000
TOTAL APPROPRIATION.....	\$	99,690,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The division of vocational rehabilitation shall negotiate cooperative interagency agreements with local organizations, including higher education institutions, mental health regional support networks, and county developmental disabilities programs to improve and expand employment opportunities for people with severe disabilities served by those local agencies.

(2) \$363,000 of the general fund--state appropriation for fiscal year 1998, \$506,000 of the general fund--state appropriation for fiscal year 1999, and \$3,208,000 of the general fund--federal appropriation are provided solely for vocational rehabilitation services for individuals enrolled for services with the developmental disabilities program who complete their high school curriculum in 1997 or 1998.

***NEW SECTION. Sec. 211. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--ADMINISTRATION AND SUPPORTING SERVICES PROGRAM**

General Fund--State Appropriation (FY 1998).....	\$	24,572,000
General Fund--State Appropriation (FY 1999).....	\$	23,956,000
General		Fund--Federal
Appropriation.....	\$.....	
.....	40,352,000	
General Fund--Private/Local Appropriation.....	\$	270,000
TOTAL APPROPRIATION.....	\$	89,150,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The department may transfer up to \$1,289,000 of the general fund--state appropriation for fiscal year 1998, \$1,757,000 of the general fund--state appropriation for fiscal year 1999, and \$2,813,000 of the general fund--federal appropriation to the administration and supporting services program from various other programs to implement administrative reductions.

(2) The secretary of social and health services and the director of labor and industries shall report to the appropriate fiscal and policy committees of the legislature by July 1, 1997, and every six months thereafter on the measurable changes in employee injury and time-loss rates that have occurred in the state developmental disabilities, juvenile rehabilitation, and mental health institutions as a result of the upfront loss-control discount agreement between the agencies.

(3) The department shall not expend any funding for staffing or publication of the sexual minority initiative.

(4) \$60,000 of the general fund--state appropriation for fiscal year 1998 is provided solely for a welfare fraud pilot program as described by House Bill No. 1822 (welfare fraud investigation).

(5) \$55,000 of the fiscal year 1998 general fund--state appropriation, \$64,000 of the fiscal year 1999 general fund--state appropriation, and \$231,000 of the general fund--federal appropriation are provided solely for implementation of Engrossed House Bill No. 3901 (implementing welfare reform). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

***Sec. 211 was partially vetoed. See message at end of chapter.**

***NEW SECTION. Sec. 212. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--CHILD SUPPORT PROGRAM**

General Fund--State Appropriation (FY 1998).....	\$	21,122,000
General Fund--State Appropriation (FY 1999).....	\$	20,877,000
General		Fund--Federal
Appropriation.....	\$.....	
.....		145,739,000
General Fund--Private/Local Appropriation.....	\$	33,207,000
TOTAL APPROPRIATION.....	\$	220,945,000

The appropriations provided in this section are subject to the following conditions and limitations:

(1) The department shall contract with private collection agencies to pursue collection of AFDC child support arrearages in cases that might otherwise consume a disproportionate share of the department's collection efforts. The department's child support collection staff shall determine which cases are appropriate for referral to private collection agencies. In determining appropriate contract provisions, the department shall consult with other states that have successfully

contracted with private collection agencies to the extent allowed by federal support enforcement regulations.

(2) The department shall request a waiver from federal support enforcement regulations to replace the current program audit criteria, which is process-based, with performance measures based on program outcomes.

(3) The amounts appropriated in this section for child support legal services shall be expended only by means of contracts with local prosecutor's offices.

(4) \$305,000 of the general fund--state fiscal year 1998 appropriation, \$494,000 of the general fund--state fiscal year 1999 appropriation, and \$1,408,000 of the general fund--federal appropriation are provided solely to implement Engrossed House Bill No. 3901 (implementing welfare reform). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

***Sec. 212 was partially vetoed. See message at end of chapter.**

***NEW SECTION. Sec. 213. FOR THE DEPARTMENT OF SOCIAL AND HEALTH SERVICES--PAYMENTS TO OTHER AGENCIES PROGRAM**

General Fund--State Appropriation (FY 1998).....	\$	47,435,000
General Fund--State Appropriation (FY 1999).....	\$	47,514,000
General		Fund--Federal
Appropriation.....	\$.....	
.....		54,366,000
Health Services Account Appropriation.....	\$	1,502,000
Violence Reduction and Drug Enforcement Account		
Appropriation.....	\$	2,215,000
TOTAL APPROPRIATION.....	\$	153,032,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$22,893,000 of the general fund--state appropriation for fiscal year 1998, \$22,835,000 of the general fund--state appropriation for fiscal year 1999, \$35,431,000 of the general fund--federal appropriation, \$2,215,000 of the violence reduction and drug enforcement account, and \$1,502,000 of the health services account are provided solely to increase the rates of contracted service providers. The department need not provide all vendors with the same percentage rate increase. Rather, the department is encouraged to use these funds to help assure an adequate supply of qualified

vendors. Vendors providing services in markets where recruitment and retention of qualified providers is a problem may receive larger rate increases than other vendors. It is the legislature's intent that these amounts shall be used primarily to increase compensation for persons employed in direct, front-line service delivery. Any rate increases granted as a result of this section must be implemented so that the carry-forward costs into the 1999-01 biennium do not exceed the amounts provided in this subsection. Within thirty days of granting a vendor rate increase under this section, the department shall report the following information to the fiscal committees of the legislature: (1) The amounts and effective dates of any increases granted; (2) the process and criteria used to determine the increases; and (3) any data used in that process. In accordance with RCW 43.88.110(1), the department and the office of financial management shall allot funds appropriated in this section to the programs and budget units from which the funds will be expended. Such allotments shall be completed no later than September 15, 1997.

(2) \$263,000 of the fiscal year 1998 general fund--state appropriation, \$349,000 of the fiscal year 1999 general fund--state appropriation, and \$1,186,000 of the general fund--federal appropriation are provided solely for implementation of Engrossed House Bill No. 3901 (implementing welfare reform). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

*Sec. 213 was partially vetoed. See message at end of chapter.

***NEW SECTION. Sec. 214. FOR THE STATE HEALTH CARE AUTHORITY**

General Fund--State Appropriation (FY 1998).....	\$ 6,316,000
General Fund--State Appropriation (FY 1999).....	\$ 6,317,000
State Health Care Authority Administration	
Account Appropriation.....	\$ 14,719,000
Health Services Account Appropriation.....	\$ 300,796,000
TOTAL APPROPRIATION.....	\$ 328,148,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The general fund--state appropriations are provided solely for health care services provided through local community clinics.

(2) The health care authority shall utilize competitive contracting strategies, increase co-pay requirements, adjust state

subsidy levels, and take other actions it deems necessary to assure that the funds appropriated in this section are sufficient to subsidize basic health plan enrollment for a monthly average of 130,000 persons during fiscal years 1998 and 1999.

(3) Within funds appropriated in this section and sections 205 and 206 of this act, the health care authority shall continue to provide an enhanced basic health plan subsidy option for foster parents licensed under chapter 74.15 RCW and workers in state-funded homecare programs. Under this enhanced subsidy option, foster parents and homecare workers with family incomes below 200 percent of the federal poverty level shall be allowed to enroll in the basic health plan at a cost of ten dollars per covered worker per month.

(4) The health care authority shall require organizations and individuals that are paid to deliver basic health plan services to contribute a minimum of forty-five dollars per enrollee per month if the organization or individual chooses to sponsor an individual's enrollment in the subsidized basic health plan.

(5) \$150,000 of the health services account appropriation is provided solely to implement Substitute House Bill No. 1805 (health care savings accounts). If this bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(6) The health care authority shall report to the fiscal committees of the legislature by December 1, 1997, on the number of basic health plan enrollees who are illegal aliens but are not resident citizens, legal aliens, legal refugees, or legal asylees.

(7) \$270,000 of the health services account appropriation is provided solely to pay commissions to agents and brokers in accordance with RCW 70.47.015(5) for application assistance provided to persons on the reservation list as of June 30, 1997, who enroll in the subsidized basic health plan on or after July 1, 1997.

*Sec. 214 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 215. FOR THE HUMAN RIGHTS COMMISSION

General Fund--State Appropriation (FY 1998).....	\$	2,019,000
General Fund--State Appropriation (FY 1999).....	\$	2,036,000
General		Fund--Federal
Appropriation.....	\$	.....
.....		1,444,000
General Fund--Private/Local Appropriation.....	\$	259,000
TOTAL APPROPRIATION.....	\$	5,758,000

education shall be actively involved in the study effort. Copies of the study shall be provided to the appropriate policy and fiscal committees of the legislature and the director of financial management by October 1, 1997.

(2) \$50,000 of the public safety and education account appropriation is provided solely to prepare a cost and fee study of the current and proposed criminal justice course offerings. The analysis shall identify total costs and major cost components for: (a) Any current training classes which are considered mandatory; and (b) any proposed or modified training courses which are considered mandatory. Mandatory classes include, but are not limited to, the following: Basic law enforcement academy, correctional officers academy, supervisory and management training of law enforcement officers, supervisory and management training of correctional officers, juvenile service workers academy, and the adult service academy. The study shall also recommend a methodology for estimating the future demand for these classes. The study shall also estimate the cost of implementing any recommendations made pursuant to subsection (1) of this section. The study shall be conducted by a private sector consultant selected by the office of financial management in consultation with the executive director of the criminal justice training commission. The final report shall be completed by January 1, 1998.

(3) \$92,000 of the public safety and education account appropriation is provided solely for the purpose of training law enforcement managers and supervisors.

(4) \$40,000 of the public safety and education account appropriation is provided solely to implement the provisions of Substitute House Bill No. 1423 (criminal justice training commission). If this bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 218. FOR THE DEPARTMENT OF LABOR AND INDUSTRIES

General Fund Appropriation (FY 1998).....	\$	6,805,000
General Fund Appropriation (FY 1999).....	\$	6,848,000
Public Safety and Education Account--		
State Appropriation.....	\$	16,246,000
Public Safety and Education Account--		
Federal Appropriation.....	\$	6,002,000

Public Safety and Education Account--			
Private/Local Appropriation.....	\$	2,014,000	
Electrical	License		Account
Appropriation.....	\$.....		
.....		22,542,000	
Farm Labor Revolving Account Appropriation.....	\$	28,000	
Worker and Community Right-to-Know Account			
Appropriation.....	\$	2,187,000	
Public	Works	Administration	Account
Appropriation....	\$.....		
.....		1,975,000	
Accident Account--State Appropriation.....	\$	146,849,000	
Accident Account--Federal Appropriation.....	\$	9,112,000	
Medical	Aid		Account--State
Appropriation.....	\$.....		
.....		155,220,000	
Medical Aid Account--Federal Appropriation.....	\$	1,592,000	
Plumbing Certificate Account Appropriation.....	\$	846,000	
Pressure	Systems	Safety	Account
Appropriation.....	\$.....		
.....		2,106,000	
TOTAL APPROPRIATION.....		\$	380,372,000

The appropriations in this section are subject to the following conditions and limitations:

(1) Expenditures of funds appropriated in this section for the information systems projects identified in agency budget requests as "claims service delivery", "electrical permitting and inspection system", and "credentialing information system" are conditioned upon compliance with section 902 of this act.

(2) Pursuant to RCW 7.68.015, the department shall operate the crime victims compensation program within the public safety and education account funds appropriated in this section. In the event that cost containment measures are necessary, the department may (a) institute copayments for services; (b) develop preferred provider and managed care contracts; (c) coordinate with the department of social and health services to use the public safety and education account as matching funds for federal Title XIX reimbursement, to the extent this maximizes total funds available for services to crime victims.

(3) \$54,000 of the general fund appropriation for fiscal year 1998 and \$54,000 of the general fund appropriation for fiscal year 1999 are provided solely for an interagency agreement to reimburse the board of industrial insurance appeals for crime victims appeals.

(4) The secretary of social and health services and the director of labor and industries shall report to the appropriate fiscal and policy committees of the legislature by July 1, 1997, and every six months thereafter on the measurable changes in employee injury and time-loss rates that have occurred in the state developmental disabilities, juvenile rehabilitation, and mental health institutions as a result of the upfront loss-control discount agreement between the agencies.

(5) \$43,000 of the general fund--state appropriation for fiscal year 1998, \$35,000 of the general fund--state appropriation for fiscal year 1999, \$20,000 of the electrical license account appropriation, and \$58,000 of the plumbing certificate account appropriation are provided solely for the implementation of Engrossed House Bill No. 3901 (implementing welfare reform). If the bill is not enacted by June 30, 1997, the amount provided shall lapse.

(6) The expenditures of the elevator, factory assembled structures, and contractors' registration and compliance programs may not exceed the revenues generated by these programs.

NEW SECTION. Sec. 219. FOR THE INDETERMINATE SENTENCE REVIEW BOARD

General Fund Appropriation (FY 1998).....	\$	1,141,000
General Fund Appropriation (FY 1999).....	\$	920,000
TOTAL APPROPRIATION.....	\$	2,061,000

The appropriations in this section are subject to the following conditions and limitations: \$920,000 of the general fund appropriation for fiscal year 1999 is provided solely to implement House Bill No. 1646 (indeterminate sentence review) or Senate Bill No. 5410 (indeterminate sentence review board). If neither of these bills is enacted by June 30, 1997, this amount shall lapse.

NEW SECTION. Sec. 220. FOR THE DEPARTMENT OF VETERANS AFFAIRS

(1) HEADQUARTERS

General Fund Appropriation (FY 1998).....	\$	1,339,000
General Fund Appropriation (FY 1999).....	\$	1,334,000

Industrial Insurance Premium Refund Account
 Appropriation..... \$ 80,000
 Charitable, Educational, Penal, and Reformatory
 Institutions Account Appropriation..... \$ 4,000
 TOTAL APPROPRIATION..... \$ 2,757,000

(2) FIELD SERVICES

General Fund--State Appropriation (FY 1998)..... \$ 2,418,000
 General Fund--State Appropriation (FY 1999)..... \$ 2,420,000
 General Fund--Federal Appropriation..... \$
 26,000
 General Fund--Private/Local Appropriation..... \$ 85,000
 TOTAL APPROPRIATION..... \$ 4,949,000

(3) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 1998)..... \$ 6,101,000
 General Fund--State Appropriation (FY 1999)..... \$ 5,369,000
 General Fund--Federal
 Appropriation..... \$.....
 19,556,000
 General Fund--Private/Local Appropriation..... \$ 14,583,000
 TOTAL APPROPRIATION..... \$ 45,609,000

NEW SECTION. **Sec. 221. FOR THE DEPARTMENT OF HEALTH**

General Fund--State Appropriation (FY 1998)..... \$ 53,955,000
 General Fund--State Appropriation (FY 1999)..... \$ 57,462,000
 General Fund--Federal
 Appropriation..... \$.....
 259,139,000
 General Fund--Private/Local Appropriation..... \$ 24,351,000
 Hospital Commission Account Appropriation..... \$ 3,089,000
 Health Professions Account
 Appropriation..... \$.....
 36,038,000

Emergency Medical and Trauma Care Services Account

Appropriation..... \$ 21,042,000
 Safe Drinking Water Account Appropriation..... \$ 2,494,000
 Drinking Water Assistance Account--Federal
 Appropriation..... \$ 5,385,000
 Waterworks Operator Certification Appropriation..... \$ 588,000

Water	Quality	Account		
Appropriation.....	\$.....			
..... 3,065,000				
Violence Reduction and Drug Education Account				
Appropriation.....	\$	469,000		
State Toxics Control Account Appropriation.....	\$	2,854,000		
Medical	Test	Site	Licensure	Account
Appropriation....	\$.....			
..... 1,624,000				
Youth Tobacco Prevention Account Appropriation.....	\$	1,812,000		
Health Services Account Appropriation.....	\$	24,224,000		
TOTAL APPROPRIATION.....		\$	497,591,000	

The appropriations in this section are subject to the following conditions and limitations:

(1) \$2,134,000 of the health professions account appropriation is provided solely for the development and implementation of a licensing and disciplinary management system. Expenditures are conditioned upon compliance with section 902 of this act. These funds shall not be expended without appropriate project approval by the department of information systems.

(2) Funding provided in this section for the drinking water program data management system shall not be expended without appropriate project approval by the department of information systems. Expenditures are conditioned upon compliance with section 902 of this act.

(3) The department is authorized to raise existing fees charged to the nursing professions and midwives, by the pharmacy board, and for boarding home licenses, in excess of the fiscal growth factor established by Initiative Measure No. 601, if necessary, to meet the actual costs of conducting business.

(4) \$1,633,000 of the general fund--state fiscal year 1998 appropriation and \$1,634,000 of the general fund--state fiscal year 1999 appropriation are provided solely for the implementation of the Puget Sound water work plan and agency action items, DOH-01, DOH-02, DOH-03, DOH-04, DOH-05, DOH-06, DOH-07, DOH-08, DOH-09, DOH-10, DOH-11, and DOH-12.

(5) \$10,000,000 of the health services account appropriation is provided solely for distribution to local health departments for distribution on a per capita basis. Prior to distributing these

funds, the department shall adopt rules and procedures to ensure that these funds are not used to replace current local support for public health programs.

(6) \$500,000 of the general fund--state appropriation for fiscal year 1998 and \$500,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for operation of a youth suicide prevention program at the state level, including a state-wide public educational campaign to increase knowledge of suicide risk and ability to respond and provision of twenty-four hour crisis hotlines, staffed to provide suicidal youth and caregivers a source of instant help.

(7) The department of health shall not initiate any services that will require expenditure of state general fund moneys unless expressly authorized in this act or other law. The department may seek, receive, and spend, under RCW 43.79.260 through 43.79.282, federal moneys not anticipated in this act as long as the federal funding does not require expenditure of state moneys for the program in excess of amounts anticipated in this act. If the department receives unanticipated unrestricted federal moneys, those moneys shall be spent for services authorized in this act or in any other legislation that provides appropriation authority, and an equal amount of appropriated state moneys shall lapse. Upon the lapsing of any moneys under this subsection, the office of financial management shall notify the legislative fiscal committees. As used in this subsection, "unrestricted federal moneys" includes block grants and other funds that federal law does not require to be spent on specifically defined projects or matched on a formula basis by state funds.

(8) \$259,000 of the health professions account appropriation is provided solely to implement Engrossed House Bill No. 3901 (implementing welfare reform). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(9) \$150,000 of the general fund--state fiscal year 1998 appropriation and \$150,000 of the general fund--state fiscal year 1999 appropriation are provided solely for community-based oral health grants that may fund sealant programs, education, prevention, and other oral health interventions. The grants may be awarded to state or federally funded community and migrant health centers, tribal clinics, or public health jurisdictions. Priority shall be given to communities with established oral health coalitions. Grant applications for oral health education and prevention grants shall include (a) an assessment of the community's oral health education and

prevention needs; (b) identification of the population to be served; and (c) a description of the grant program's predicted outcomes.

(10) \$21,042,000 of the emergency medical and trauma care services account appropriation is provided solely for implementation of Substitute Senate Bill No. 5127 (trauma care services). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(11) \$500,000 of the general fund--state appropriation for fiscal year 1998 and \$500,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for family support and provider training services for children with special health care needs.

(12) \$300,000 of the general fund--federal appropriation is provided solely for an abstinence education program which complies with P.L. 104-193. \$400,000 of the general fund--federal appropriation is provided solely for abstinence education projects at the office of the superintendent of public instruction and shall be transferred to the office of the superintendent of public instruction for the 1998-99 school year. The department shall apply for abstinence education funds made available by the federal personal responsibility and work opportunity act of 1996 and implement a program that complies with the requirements of that act.

(13) \$50,000 of the general fund--state appropriation for fiscal year 1998 and \$50,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the implementation of Second Substitute House Bill No. 1191 (mandated health benefit review). If the bill is not enacted by June 30, 1997, the amounts provided in this section shall lapse.

(14) \$100,000 of the general fund--state appropriation for fiscal year 1998 and \$100,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the volunteer retired provider program. Funds shall be used to increase children's access to dental care services in rural and underserved communities by paying malpractice insurance and professional licensing fees for retired dentists participating in the program.

(15) \$852,000 of the drinking water assistance account--federal appropriation is provided solely for an interagency agreement with the department of community, trade, and economic development to administer, in cooperation with the public works board, loans to local governments and public water systems for projects and activities to

protect and improve the state's drinking water facilities and resources.

(16) Amounts provided in this section are sufficient to operate the AIDS prescription drug program. To operate the program within the appropriated amount, the department shall limit new enrollments, manage access to the most expensive drug regimens, establish waiting lists and priority rankings, assist clients in accessing drug assistance programs sponsored by drug manufacturers, or pursue other means of managing expenditures by the program.

(17) Funding provided in this section is sufficient to implement section 8 of Engrossed Substitute House Bill No. 2264 (eliminating the health care policy board).

(18) \$4,150,000 of the health services account appropriation is provided solely for the Washington poison center.

***NEW SECTION. Sec. 222. FOR THE DEPARTMENT OF CORRECTIONS**

(1) ADMINISTRATION AND PROGRAM SUPPORT

General Fund Appropriation (FY 1998).....	\$ 13,926,000
General Fund Appropriation (FY 1999).....	\$ 13,910,000
Violence Reduction and Drug Enforcement Account Appropriation.....	\$ 500,000
TOTAL APPROPRIATION.....	\$ 28,336,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$187,000 of the general fund fiscal year 1998 appropriation and \$155,000 of the general fund fiscal year 1999 appropriation are provided solely for implementation of Substitute Senate Bill No. 5759 (risk classification). If the bill is not enacted by July 1, 1997, the amounts provided shall lapse.

(b) \$500,000 of the violence reduction and drug enforcement account appropriation is provided solely for a feasibility study regarding the replacement of the department's offender based tracking system.

(2) INSTITUTIONAL SERVICES

General Fund--State Appropriation (FY 1998).....	\$ 289,204,000
General Fund--State Appropriation (FY 1999).....	\$ 302,933,000

<i>General</i>	<i>Fund--Federal</i>
<i>Appropriation.....</i>	<i>\$.....</i>
<i>..... 18,097,000</i>	
<i>Industrial Insurance Premium Rebate Account</i>	
<i> Appropriation.....</i>	<i>\$ 673,000</i>
<i>Violence Reduction and Drug Enforcement Account</i>	
<i> Appropriation.....</i>	<i>\$ 1,614,000</i>
<i> TOTAL APPROPRIATION.....</i>	<i>\$ 612,521,000</i>

The appropriations in this subsection are subject to the following conditions and limitations:

(a) The department shall provide funding for the pet partnership program at the Washington corrections center for women at a level at least equal to that provided in the 1995-97 biennium.

(b) \$2,298,000 of the general fund--state fiscal year 1998 appropriation and \$5,414,000 of the general fund--state fiscal year 1999 appropriation are provided solely for the criminal justice costs associated with the implementation of RCW 13.04.030 as amended by Engrossed Third Substitute House Bill No. 3900 (revising the juvenile code). If RCW 13.04.030 is not amended by Engrossed Third Substitute House Bill No. 3900 by June 30, 1997, the amounts provided shall lapse.

(c) The department of corrections shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.

(d) It is the intent of the legislature that the department reduce health care expenditures in the 1997-99 biennium using the scenario identified in the health services delivery system study which limited health care costs to \$43,000,000 in fiscal year 1998 and \$40,700,000 in fiscal year 1999. The department shall consult with direct health care service providers and health care staff in implementing this scenario.

(e) \$296,000 of the general fund--state appropriation for fiscal year 1998 and \$297,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to increase payment rates for contracted education providers. It is the legislature's intent that these amounts shall be used primarily to increase compensation for persons employed in direct, front-line service delivery.

(f) The department may expend funds generated by contractual agreements entered into for mitigation of severe overcrowding in local jails. If any funds are generated in excess of actual costs, they shall be deposited in the state general fund. Expenditures shall not exceed revenue generated by such agreements and shall be treated as recovery of costs.

(3) COMMUNITY CORRECTIONS

General Fund Appropriation (FY 1998).....	\$ 89,364,000
General Fund Appropriation (FY 1999).....	\$ 90,416,000
TOTAL APPROPRIATION.....	\$ 179,780,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$14,000 of the general fund fiscal year 1998 appropriation and \$106,000 of the general fund fiscal year 1999 appropriation are provided solely for the criminal justice costs associated with the implementation of RCW 13.04.030 as amended by Engrossed Third Substitute House Bill No. 3900 (revising the juvenile code). If RCW 13.04.030 is not amended by Engrossed Third Substitute House Bill No. 3900 by June 30, 1997, the amounts provided shall lapse.

(b) The department of corrections shall accomplish personnel reductions with the least possible impact on correctional custody staff, community custody staff, and correctional industries. For the purposes of this subsection, correctional custody staff means employees responsible for the direct supervision of offenders.

(c) \$467,000 of the general fund appropriation for fiscal year 1998 and \$505,000 of the general fund appropriation for fiscal year 1999 are provided solely to increase payment rates for contracted education providers and contracted work release facilities. It is the legislature's intent that these amounts shall be used primarily to increase compensation for persons employed in direct, front-line service delivery.

(4) CORRECTIONAL INDUSTRIES

General Fund Appropriation (FY 1998).....	\$ 4,055,000
General Fund Appropriation (FY 1999).....	\$ 4,167,000
TOTAL APPROPRIATION.....	\$ 8,222,000

The appropriations in this subsection are subject to the following conditions and limitations:

(a) \$100,000 of the general fund fiscal year 1998 appropriation and \$100,000 of the general fund fiscal year 1999 appropriation are provided solely for transfer to the jail industries board. The board shall use the amounts provided only for administrative expenses, equipment purchases, and technical assistance associated with advising cities and counties in developing, promoting, and implementing consistent, safe, and efficient offender work programs.

(b) \$50,000 of the general fund appropriation for fiscal year 1998 and \$50,000 of the general fund appropriation for fiscal year 1999 are provided solely for the correctional industries board of directors to hire one staff person, responsible directly to the board, to assist the board in fulfilling its duties.

(5) INTERAGENCY PAYMENTS

General Fund Appropriation (FY 1998).....	\$	6,945,000
General Fund Appropriation (FY 1999).....	\$	6,444,000
TOTAL APPROPRIATION.....	\$	13,389,000

*Sec. 222 was partially vetoed. See message at end of chapter.

NEW SECTION. **Sec. 223. FOR THE DEPARTMENT OF SERVICES FOR THE BLIND**

General Fund--State Appropriation (FY 1998).....	\$	1,368,000
General Fund--State Appropriation (FY 1999).....	\$	1,411,000
General		Fund--Federal
Appropriation.....	\$.....	.....
..... 10,454,000		
General Fund--Private/Local Appropriation.....	\$	80,000
TOTAL APPROPRIATION.....	\$	13,313,000

NEW SECTION. **Sec. 224. FOR THE SENTENCING GUIDELINES COMMISSION**

General Fund Appropriation (FY 1998).....	\$	714,000
General Fund Appropriation (FY 1999).....	\$	713,000
TOTAL APPROPRIATION.....	\$	\$1,427,000

NEW SECTION. **Sec. 225. FOR THE EMPLOYMENT SECURITY DEPARTMENT**

General		Fund--Federal
Appropriation.....	\$.....	.....
..... 173,595,000		

General Fund--Private/Local Appropriation.....	\$ 24,842,000	
Unemployment Compensation Administration Account--		
Federal Appropriation.....	\$ 181,985,000	
Administrative Contingency Account Appropriation....	\$ 12,579,000	
Employment Service Administrative Account		
Appropriation.....	\$ 13,176,000	
Employment & Training Trust Account Appropriation....		\$
600,000		
TOTAL APPROPRIATION.....	\$ 406,777,000	

The appropriations in this section are subject to the following conditions and limitations:

(1) Expenditures of funds appropriated in this section for the information systems projects identified in agency budget requests as "claims and adjudication call centers", "data/wage quality initiative", and "one stop information connectivity" are conditioned upon compliance with section 902 of this act.

(2) \$600,000 of the employment and training trust account appropriation is provided solely for the account's share of unemployment insurance tax collection costs.

(3) \$1,126,000 of the general fund--federal appropriation is provided solely for the continuation of job placement centers colocated on community and technical college campuses.

(4) The employment security department shall spend no more than \$25,049,511 of the unemployment compensation administration account--federal appropriation for the general unemployment insurance development effort (GUIDE) project, except that the department may exceed this amount by up to \$2,600,000 to offset the cost associated with any vendor-caused delay. The additional spending authority is contingent upon the department fully recovering these moneys from any project vendors failing to perform in full. Authority to spend the amount provided by this subsection is conditioned on compliance with section 902 of this act.

(5) \$114,000 of the administrative contingency account appropriation is provided solely for the King county reemployment support center.

(End of part)

PART III
NATURAL RESOURCES

***NEW SECTION. Sec. 301. FOR THE COLUMBIA RIVER GORGE COMMISSION**

General Fund--State Appropriation (FY 1998).....	\$ 213,000
General Fund--State Appropriation (FY 1999).....	\$ 222,000
General Fund--Private/Local Appropriation.....	\$ 435,000
TOTAL APPROPRIATION.....	\$ 870,000

The appropriations in this section are subject to the following condition and limitation: \$120,000 of the general fund--state appropriation for fiscal year 1998, \$120,000 of the general fund--state appropriation for fiscal year 1999, and \$240,000 of the general fund--local appropriation are provided solely for each Columbia river gorge county to receive an \$80,000 grant for the purposes of implementing the scenic area management plan. If a Columbia river gorge county has not adopted an ordinance to implement the scenic area management plan in accordance with the national scenic area act (P.L. 99-663), then the grant funds for that county may be used by the commission to implement the plan for that county.

*Sec. 301 was vetoed. See message at end of chapter.

***NEW SECTION. Sec. 302. FOR THE DEPARTMENT OF ECOLOGY**

General Fund--State Appropriation (FY 1998).....	\$ 27,749,000
General Fund--State Appropriation (FY 1999).....	\$ 27,794,000
General	Fund--Federal
Appropriation.....	\$.....
..... 45,315,000	
General Fund--Private/Local Appropriation.....	\$ 643,000
Special Grass Seed Burning Research Account	
Appropriation.....	\$ 42,000
Reclamation Revolving Account Appropriation.....	\$ 2,441,000
Flood Control Assistance Account Appropriation.....	\$ 4,850,000
State Emergency Water Projects Revolving Account	
Appropriation.....	\$ 319,000
Waste Reduction/Recycling/Litter Control	
Appropriation.....	\$ 10,316,000
State and Local Improvements Revolving Account	

(Waste Facilities) Appropriation.....	\$	601,000	
State and Local Improvements Revolving Account			
(Water Supply Facilities) Appropriation.....	\$	1,366,000	
Basic Data Account Appropriation.....	\$	182,000	
Vehicle Tire Recycling Account Appropriation.....	\$	1,194,000	
Water		Quality	Account
Appropriation.....	\$		
.....		2,892,000	
Wood Stove Education and Enforcement Account			
Appropriation.....	\$	1,055,000	
Worker and Community Right-to-Know Account			
Appropriation.....	\$	469,000	
State Toxics Control Account Appropriation.....	\$	53,160,000	
Local Toxics Control Account Appropriation.....	\$	4,342,000	
Water Quality Permit Account Appropriation.....	\$	20,378,000	
Underground Storage Tank Account Appropriation.....	\$	2,443,000	
Solid Waste Management Account Appropriation.....	\$	1,021,000	
Hazardous Waste Assistance Account Appropriation....	\$	3,615,000	
Air Pollution Control Account Appropriation.....	\$	16,224,000	
Oil Spill Administration Account Appropriation.....	\$	6,958,000	
Air Operating Permit Account Appropriation.....	\$	4,033,000	
Freshwater Aquatic Weeds Account Appropriation.....	\$	1,829,000	
Oil		Spill	Response
Appropriation.....	\$		Account
.....		7,078,000	
Metals Mining Account Appropriation.....			\$
42,000			
Water Pollution Control Revolving Account--State			
Appropriation.....	\$	349,000	
Water Pollution Control Revolving Account--Federal			
Appropriation.....	\$	1,726,000	
Biosolids Permit Account Appropriation.....	\$	567,000	
Environmental Excellence Account Appropriation.....	\$	247,000	
TOTAL APPROPRIATION.....	\$	251,240,000	

The appropriations in this section are subject to the following conditions and limitations:

(1) \$3,211,000 of the general fund--state appropriation for fiscal year 1998, \$3,211,000 of the general fund--state appropriation for fiscal year 1999, \$394,000 of the general fund--federal appropriation,

\$2,017,000 of the oil spill administration account, \$819,000 of the state toxics control account appropriation, and \$3,591,000 of the water quality permit fee account are provided solely for the implementation of the Puget Sound work plan and agency action items DOE-01, DOE-02, DOE-03, DOE-04, DOE-05, DOE-06, DOE-07, DOE-08, and DOE-09.

(2) \$2,000,000 of the state toxics control account appropriation is provided solely for the following purposes:

(a) To conduct remedial actions for sites for which there are no potentially liable persons, for which potentially liable persons cannot be found, or for which potentially liable persons are unable to pay for remedial actions; and

(b) To provide funding to assist potentially liable persons under RCW 70.105D.070(2)(d)(xi) to pay for the cost of the remedial actions; and

(c) To conduct remedial actions for sites for which potentially liable persons have refused to conduct remedial actions required by the department; and

(d) To contract for services as necessary to support remedial actions.

(3) \$1,500,000 of the general fund--state appropriation for fiscal year 1998 and \$1,900,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the processing of water right permit applications, continued implementation of water resources data management systems, and providing technical and data support to local watershed planning efforts in accordance with sections 101 through 116 of Second Substitute House Bill No. 2054 (water resource management). If any of sections 101 through 116 of Second Substitute House Bill No. 2054 is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(4) \$2,500,000 of the general fund--state appropriation for fiscal year 1998 and \$2,500,000 of the general fund--state appropriation for fiscal year 1999 are appropriated for grants to local WRIA planning units established in accordance with sections 101 through 116 of Second Substitute House Bill No. 2054 (water resource management). If any of sections 101 through 116 of Second Substitute House Bill No. 2054 is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(5) \$200,000 of the general fund--state appropriation for fiscal year 1998 is provided solely for the implementation of Engrossed

Substitute House Bill No. 1111 (water rights). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(6) \$200,000 of the general fund--state appropriation for fiscal year 1998 is provided solely for the implementation of Engrossed Substitute House Bill No. 1118 (reopening a water rights claim filing period). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(7) \$3,600,000 of the general fund--state appropriation for fiscal year 1998 and \$3,600,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the auto emissions inspection and maintenance program. Expenditures of the amounts provided in this subsection are contingent upon a like amount being deposited in the general fund from the auto emission inspection fees in accordance with RCW 70.120.170(4).

(8) \$170,000 of the oil spill administration account appropriation is provided solely for implementation of the Puget Sound work plan action item UW-02 through a contract with the University of Washington's Sea Grant program in order to develop an educational program that targets small spills from commercial fishing vessels, ferries, cruise ships, ports, and marinas.

(9) The merger of the office of marine safety into the department of ecology shall be accomplished in a manner that will maintain a priority focus on oil spill prevention, as well as maintain a strong oil spill response capability. The merged program shall be established to provide a high level of visibility and ensure that there shall not be a diminution of the existing level of effort from the merged programs.

(10) The entire environmental excellence account appropriation is provided solely for the implementation of Engrossed Second Substitute House Bill No. 1866 (environmental excellence). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse. In implementing the bill, the department shall organize the needed expertise to process environmental excellence applications after an application has been received.

(11) \$200,000 of the freshwater aquatic weeds account appropriation is provided solely to address saltcedar weed problems.

(12) \$4,498,000 of the waste reduction/recycling/litter control account appropriation is provided for fiscal year 1998 to be expended in accordance with Second Substitute Senate Bill No. 5842 (litter

control and recycling). From the amount provided for fiscal year 1998, the department shall provide \$352,000 through an interagency agreement to the department of corrections to hire correctional crews to remove litter in areas that are not accessible to youth crews. \$5,818,000 of the waste reduction/recycling/litter control account appropriation is provided for fiscal year 1999. The amount provided for fiscal year 1999 is to remain in unallotted status until the recommendations of the task force established in Second Substitute Senate Bill No. 5842 are acted upon by the legislature during the 1998 legislative session. If Substitute Senate Bill No. 5842 is not enacted by June 30, 1997, the amount provided for fiscal year 1999 shall lapse.

(13) The entire biosolids permit account appropriation is provided solely for implementation of Engrossed Senate Bill No. 5590 (biosolids management). If the bill is not enacted by June 30, 1997, the entire appropriation is null and void.

(14) \$29,000 of the general fund--state appropriation for fiscal year 1998 and \$99,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the implementation of Substitute House Bill No. 1985 (landscape management plans). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(15) \$60,000 of the freshwater aquatic weeds account appropriation is provided solely for a grant to the department of fish and wildlife to control and eradicate purple loosestrife using the most cost-effective methods available, including chemical control where appropriate.

(16) \$250,000 of the flood control assistance account appropriation is provided solely as a reappropriation to complete the Skokomish valley flood reduction plan. The amount provided in this subsection shall be reduced by the amount expended from this account for the Skokomish valley flood reduction plan during the biennium ending June 30, 1997.

(17) The number of special purpose vehicles in the department's fleet on July 1, 1997, shall be reduced by fifty percent as of June 30, 1999. Special purpose vehicles may be replaced by fuel efficient economy vehicles or not replaced at all depending on the vehicle requirements of the agency. An exception to this reduction in the number of special purpose vehicles is provided for those special purpose vehicles used by the department's youth corps

program. Special purpose vehicle is defined as a four-wheel drive off-road motor vehicle.

(18) \$600,000 of the flood control assistance account appropriation is provided solely to complete flood control projects that were awarded funds during the 1995-97 biennium. These funds shall be spent only to complete projects that could not be completed during the 1995-97 biennium due to delays caused by weather or delays in the permitting process.

(19) \$113,000 of the general fund--state appropriation for fiscal year 1998 and \$112,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for implementation of Substitute Senate Bill No. 5505 (assistance to water applicants). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(20) \$70,000 of the general fund--state appropriation for fiscal year 1998 and \$70,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for implementation of Substitute Senate Bill No. 5785 (consolidation of groundwater rights). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(21) \$20,000 of the general fund--state appropriation for fiscal year 1998 and \$20,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for implementation of Substitute Senate Bill No. 5276 (water right applications). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(22) \$35,000 of the general fund--state appropriation for fiscal year 1998 and \$35,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for implementation of Substitute Senate Bill No. 5030 (lakewater irrigation). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(23) \$500,000 of the general fund--state appropriation for fiscal year 1998 and \$500,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the continuation of the southwest Washington coastal erosion study.

***Sec. 302 was partially vetoed. See message at end of chapter.**

General Fund--State Appropriation (FY 1998).....	\$	21,026,000	
General Fund--State Appropriation (FY 1999).....	\$	20,835,000	
General			Fund--Federal
Appropriation.....	\$		
.....		2,428,000	
General Fund--Private/Local Appropriation.....	\$	59,000	
Winter Recreation Program Account Appropriation.....	\$	759,000	
Off Road Vehicle Account Appropriation.....	\$	251,000	
Snowmobile Account Appropriation.....	\$	2,290,000	
Aquatic Lands Enhancement Account Appropriation.....	\$	321,000	
Public Safety and Education Account Appropriation....			\$
48,000			
Industrial	Insurance	Premium	Refund.....
Appropriation	\$		10,000
Waste Reduction/Recycling/Litter Control			
Appropriation.....	\$	34,000	
Water Trail Program Account Appropriation.....	\$	14,000	
Parks Renewal and Stewardship Account Appropriation.	\$	25,344,000	
TOTAL APPROPRIATION.....	\$	73,419,000	

The appropriations in this section are subject to the following conditions and limitations:

(1) \$189,000 of the aquatic lands enhancement account appropriation is provided solely for the implementation of the Puget Sound work plan agency action items P&RC-01 and P&RC-03.

(2) \$264,000 of the general fund--federal appropriation is provided for boater programs state-wide and for implementation of the Puget Sound work plan.

(3) \$45,000 of the general fund--state appropriation for fiscal year 1998 is provided solely for a feasibility study of a public/private effort to establish a reserve for recreation and environmental studies in southwest Kitsap county.

(4) Within the funds provided in this section, the state parks and recreation commission shall provide to the legislature a status report on implementation of the recommendations contained in the 1994 study on the restructuring of Washington state parks. This status report shall include an evaluation of the campsite reservation system including the identification of any incremental changes in revenues associated with implementation of the system and a progress report on other enterprise activities being undertaken by the commission. The

report may also include recommendations on other revenue generating options. In preparing the report, the commission is encouraged to work with interested parties to develop a long-term strategy to support the park system. The commission shall provide this report by December 1, 1997.

(5) \$85,000 of the general fund--state appropriation for fiscal year 1998 and \$165,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for development of underwater park programs and facilities. The department shall work with the underwater parks program task force to develop specific plans for the use of these funds.

NEW SECTION. Sec. 304. FOR THE INTERAGENCY COMMITTEE FOR OUTDOOR RECREATION

Firearms Range Account Appropriation..	\$	46,000
Recreation Resources Account Appropriation.....	\$	2,352,000
NOVA Program Account Appropriation.....	\$	590,000
TOTAL APPROPRIATION.....	\$	2,988,000

The appropriations in this section are subject to the following conditions and limitations: Any proceeds from the sale of the PRISM software system shall be deposited into the recreation resources account.

NEW SECTION. Sec. 305. FOR THE ENVIRONMENTAL HEARINGS OFFICE

General Fund Appropriation (FY 1998).....	\$	780,000
General Fund Appropriation (FY 1999).....	\$	773,000
TOTAL APPROPRIATION.....	\$	1,553,000

The appropriations in this section are subject to the following conditions and limitations: \$4,000 of the general fund appropriation for fiscal year 1998 and \$4,000 of the general fund appropriation for fiscal year 1999 are provided solely to implement Substitute Senate Bill No. 5119 (forest practices appeals board). If this bill is not enacted by June 30, 1997, \$4,000 of the general fund appropriation for fiscal year 1998 and \$4,000 of the general fund appropriation for fiscal year 1999 shall lapse.

NEW SECTION. Sec. 306. FOR THE CONSERVATION COMMISSION

General Fund Appropriation (FY 1998).....	\$	838,000
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General Fund Appropriation (FY 1999).....	\$	840,000	
Water Quality Account Appropriation.....			\$
440,000			
TOTAL APPROPRIATION.....	\$	2,118,000	

The appropriations in this section are subject to the following conditions and limitations: \$181,000 of the general fund appropriation for fiscal year 1998, \$181,000 of the general fund appropriation for fiscal year 1999, and \$130,000 of the water quality account appropriation are provided solely for the implementation of the Puget Sound work plan agency action item CC-01.

***NEW SECTION. Sec. 307. FOR THE DEPARTMENT OF FISH AND WILDLIFE**

General Fund--State Appropriation (FY 1998).....	\$	36,049,000	
General Fund--State Appropriation (FY 1999).....	\$	36,571,000	
General			Fund--Federal
Appropriation.....	\$.....		
..... 73,015,000			
General Fund--Private/Local Appropriation.....	\$	26,758,000	
Off Road Vehicle Account Appropriation.....	\$	488,000	
Aquatic Lands Enhancement Account Appropriation.....	\$	5,593,000	
Public Safety and Education Account.....			
Appropriation	\$	590,000	
Industrial Insurance Premium Refund.....			
Appropriation	\$	120,000	
Recreational Fisheries Enhancement Appropriation....	\$	2,387,000	
Warm Water Game Fish Account Appropriation.....	\$	2,419,000	
Wildlife			Account
Appropriation.....	\$.....		
..... 52,372,000			
Game Special Wildlife			Account--State
Appropriation...	\$.....		
..... 1,911,000			
Game Special Wildlife Account--Federal Appropriation	\$	10,844,000	
Game Special Wildlife Account--Private/Local			
Appropriation.....	\$	350,000	
Oil Spill Administration Account Appropriation.....	\$	843,000	
Environmental Excellence Account Appropriation.....	\$	20,000	
Eastern Washington Pheasant Enhancement Account			
Appropriation.....	\$	547,000	

TOTAL APPROPRIATION..... \$ 250,877,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,181,000 of the general fund--state appropriation for fiscal year 1998 and \$1,181,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the implementation of the Puget Sound work plan agency action items DFW-01, DFW-03, DFW-04, and DFW-8 through DFW-15.

(2) \$188,000 of the general fund--state appropriation for fiscal year 1998 and \$155,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for a maintenance and inspection program for department-owned dams. The department shall submit a report to the governor and the appropriate legislative committees by October 1, 1998, on the status of department-owned dams. This report shall provide a recommendation, including a cost estimate, on whether each facility should continue to be maintained or should be decommissioned.

(3) \$832,000 of the general fund--state appropriation for fiscal year 1998 and \$825,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to implement salmon recovery activities and other actions required to respond to federal listings of salmon species under the endangered species act.

(4) \$350,000 of the wildlife account appropriation, \$72,000 of the general fund--state appropriation for fiscal year 1998, and \$73,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for control and eradication of class B designate weeds on department owned and managed lands. The amounts from the general fund--state appropriations are provided solely for control of spartina.

(5) \$140,000 of the wildlife account appropriation is provided solely for a cooperative effort with the department of agriculture for research and eradication of purple loosestrife on state lands.

(6) In controlling weeds on state-owned lands, the department shall use the most cost-effective methods available, including chemical control where appropriate, and the department shall report to the appropriate committees of the legislature by January 1, 1998, on control methods, costs, and acres treated during the previous year.

(7) A maximum of \$1,000,000 is provided from the wildlife fund for fiscal year 1998. The amount provided in this subsection is for the

emergency feeding of deer and elk that may be starving and that are posing a risk to private property due to severe winter conditions during the winter of 1997-98. The amount expended under this subsection must not exceed the amount raised pursuant to section 3 of Substitute House Bill No. 1478. Of the amount expended under this subsection, not more than fifty percent may be from fee revenue generated pursuant to section 3 of Substitute House Bill No. 1478. If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(8) \$193,000 of the general fund--state appropriation for fiscal year 1998, \$194,000 of the general fund--state appropriation for fiscal year 1999, and \$300,000 of the wildlife account appropriation are provided solely for the design and development of an automated license system.

(9) The department is directed to offer for sale its Cessna 421 aircraft by June 30, 1998. Proceeds from the sale shall be deposited in the wildlife account.

(10) \$500,000 of the general fund--state appropriation for fiscal year 1998 and \$500,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to continue the department's habitat partnerships program during the 1997-99 biennium.

(11) \$350,000 of the general fund--state appropriation for fiscal year 1998 and \$350,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for purchase of monitoring equipment necessary to fully implement mass marking of coho salmon.

(12) \$238,000 of the general fund--state appropriation for fiscal year 1998 and \$219,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the implementation of Substitute House Bill No. 1985 (landscape management plans). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(13) \$150,000 of the general fund--state appropriation for fiscal year 1998 and \$150,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for a contract with the United States department of agriculture to carry out animal damage control projects throughout the state related to cougars, bears, and coyotes.

(14) \$97,000 of the general fund--state appropriation for fiscal year 1998 and \$98,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to implement animal damage control programs for Canada geese in the lower Columbia river basin.

(15) \$170,000 of the general fund--state appropriation for fiscal year 1998, \$170,000 of the general fund--state appropriation for fiscal year 1999, and \$360,000 of the wildlife account appropriation are provided solely to hire additional enforcement officers to address problem wildlife throughout the state.

(16) \$197,000 of the general fund--state appropriation for fiscal year 1998 and \$196,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to implement Substitute Senate Bill No. 5120 (remote site incubators). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(17) \$133,000 of the general fund--state appropriation for fiscal year 1998 and \$133,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to implement Substitute Senate Bill No. 5442 (flood control permitting). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(18) \$105,000 of the recreational fisheries enhancement account appropriation is provided solely for implementation of Substitute Senate Bill No. 5886 (regional enhancement groups). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(19) \$100,000 of the aquatic lands enhancement account appropriation is provided solely for grants to the regional fisheries enhancement groups.

(20) \$547,000 of the eastern Washington pheasant enhancement account appropriation is provided solely for implementation of Substitute Senate Bill No. 5104 (pheasant enhancement program). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(21) \$150,000 of the general fund--state appropriation for fiscal year 1998 and \$150,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to hire Washington conservation corps crews to maintain department-owned and managed lands.

(22) The entire environmental excellence account appropriation is provided solely for implementation of Engrossed Second Substitute House Bill No. 1866 (environmental excellence). If the bill is not enacted by June 30, 1997, the entire appropriation is null and void.

(23) \$156,000 of the recreational fisheries enhancement appropriation is provided solely for Substitute Senate Bill No. 5102 (fishing license surcharge). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(24) \$25,000 of the general fund--state appropriation for fiscal year 1998 and \$25,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for staffing and operation of the Tenant Lake interpretive center.

*Sec. 307 was vetoed. See message at end of chapter.

NEW SECTION. **Sec. 308. FOR THE DEPARTMENT OF NATURAL RESOURCES**

General Fund--State Appropriation (FY 1998).....	\$	25,117,000	
General Fund--State Appropriation (FY 1999).....	\$	25,518,000	
General			Fund--Federal
Appropriation.....	\$.....		
.....		1,156,000	
General Fund--Private/Local Appropriation.....	\$	422,000	
Forest			Development
Appropriation.....	\$.....		Account
.....		49,923,000	
Off Road Vehicle Account Appropriation.....	\$	3,628,000	
Surveys and Maps Account Appropriation.....	\$	2,088,000	
Aquatic Lands Enhancement Account Appropriation.....	\$	4,869,000	
Resources Management Cost Account Appropriation.....	\$	89,613,000	
Waste Reduction/Recycling/Litter Control			
Appropriation.....	\$	450,000	
Surface Mining Reclamation Account Appropriation....	\$	1,420,000	
Aquatic Land Dredged Material Disposal Site Account			
Appropriation.....	\$	751,000	
Natural Resources Conservation Areas Stewardship			
Account Appropriation.....	\$	77,000	
Air Pollution Control Account Appropriation.....	\$	890,000	
Metals Mining Account Appropriation.....			\$
62,000			
TOTAL APPROPRIATION.....	\$	205,984,000	

The appropriations in this section are subject to the following conditions and limitations:

(1) \$7,017,000 of the general fund--state appropriation for fiscal year 1998 and \$6,900,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for emergency fire suppression.

(2) \$18,000 of the general fund--state appropriation for fiscal year 1998, \$18,000 of the general fund--state appropriation for fiscal year 1999, and \$957,000 of the aquatic lands enhancement account

appropriation are provided solely for the implementation of the Puget Sound work plan agency action items DNR-01, DNR-02, and DNR-04.

(3) \$450,000 of the resource management cost account appropriation is provided solely for the control and eradication of class B designate weeds on state lands. The department shall use the most cost-effective methods available, including chemical control where appropriate, and report to the appropriate committees of the legislature by January 1, 1998, on control methods, costs, and acres treated during the previous year.

(4) \$2,682,000 of the general fund--state appropriation for fiscal year 1998 and \$3,063,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for fire protection activities.

(5) \$541,000 of the general fund--state appropriation for fiscal year 1998 and \$549,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the stewardship of natural area preserves, natural resource conservation areas, and the operation of the natural heritage program.

(6) \$2,300,000 of the aquatic lands enhancement account appropriation is provided for the department's portion of the Eagle Harbor settlement.

(7) \$195,000 of the general fund--state appropriation for fiscal year 1998 and \$220,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the implementation of Substitute House Bill No. 1985 (landscape management plans). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(8) \$600,000 of the general fund--state appropriation for fiscal year 1998 and \$600,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the cooperative monitoring, evaluation, and research projects related to implementation of the timber-fish-wildlife agreement.

(9) \$6,568,000 of the forest development account appropriation is provided solely for silviculture activities on forest board lands. To the extent that forest board counties apply for reconveyance of lands pursuant to Substitute Senate Bill No. 5325 (county land transfers), the amount provided in this subsection shall be reduced by an amount equal to the estimated silvicultural expenditures planned in each county that applies for reconveyance.

General Fund--State Appropriation (FY 1998).....	\$	7,596,000
General Fund--State Appropriation (FY 1999).....	\$	7,008,000
General		Fund--Federal
Appropriation.....	\$.....	.....
.....		4,716,000
General Fund--Private/Local Appropriation.....	\$	405,000
Aquatic Lands Enhancement Account Appropriation.....	\$	806,000
Industrial Insurance Premium Refund.....		.....
Appropriation	\$	184,000
State Toxics Control Account Appropriation.....	\$	1,338,000
TOTAL APPROPRIATION.....	\$	22,053,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$35,000 of the general fund--state appropriation for fiscal year 1998 and \$36,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for technical assistance on pesticide management including the implementation of the Puget Sound work plan agency action item DOA-01.

(2) \$461,000 of the general fund--state appropriation for fiscal year 1998 and \$361,000 of the general fund--federal appropriation are provided solely to monitor and eradicate the Asian gypsy moth.

(3) \$138,000 of the general fund--state appropriation for fiscal year 1998 and \$138,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for two additional staff positions in the plant protection program.

(4) \$12,000 of the general fund--state appropriation for fiscal year 1998 and \$13,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the implementation of Substitute Senate Bill No. 5077 (integrated pest management). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 310. FOR THE WASHINGTON POLLUTION LIABILITY REINSURANCE PROGRAM

Pollution Liability Insurance Program Trust Account		
Appropriation.....	\$	909,000

(End of part)

**PART IV
TRANSPORTATION**

NEW SECTION. **Sec. 401. FOR THE DEPARTMENT OF LICENSING**

General Fund Appropriation (FY 1998).....	\$	4,536,000	
General Fund Appropriation (FY 1999).....	\$	4,409,000	
Architects' License Account Appropriation.....	\$	857,000	
Cemetery Account Appropriation.....			\$
188,000			
Professional		Engineers'	Account
Appropriation.....	\$		
..... 2,674,000			
Real Estate Commission Account Appropriation.....	\$	6,708,000	
Master License Account Appropriation.....	\$	6,998,000	
Uniform		Commercial	Code
Appropriation.....	\$		Account
..... 4,291,000			
Real Estate Education Account Appropriation.....	\$	606,000	
Funeral Directors And Embalmers Account Appropriation	\$	409,000	
TOTAL APPROPRIATION.....	\$	31,676,000	

The appropriations in this section are subject to the following conditions and limitations:

(1) \$21,000 of the general fund fiscal year 1998 appropriation and \$22,000 of the general fund fiscal year 1999 appropriation are provided solely to implement House Bill No. 1827 or Senate Bill No. 5754 (boxing, martial arts, wrestling). If neither bill is enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(2) \$40,000 of the master license account appropriation is provided solely to implement Substitute Senate Bill No. 5483 (whitewater river outfitters). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(3) \$229,000 of the general fund fiscal year 1998 appropriation and \$195,000 of the general fund fiscal year 1999 appropriation are provided solely for the implementation of Senate Bill No. 5997 (cosmetology inspections). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(4) \$31,000 of the general fund fiscal year 1998 appropriation, \$1,000 of the general fund fiscal 1999 appropriation, \$7,000 of the architects' license account appropriation, \$18,000 of the professional engineers' account appropriation, \$14,000 of the real estate commission account appropriation, \$40,000 of the master license account appropriation, and \$3,000 of the funeral directors and embalmers account appropriation are provided solely for the implementation of Engrossed House Bill No. 3901 (implementing welfare reform). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(5) \$17,000 of the professional engineers' account appropriation is provided solely to implement Senate Bill No. 5266 (engineers/land surveyors). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(6) \$110,000 of the general fund fiscal year 1998 appropriation is provided solely to implement Senate Bill No. 5998 (cosmetology advisory board). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(7) \$74,000 of the uniform commercial code account appropriation is provided solely to implement Engrossed Senate Bill No. 5163 (UCC filing). If the bill is not enacted by June 30, 1997, the amount provided in this subsection shall lapse.

(8) \$11,000 of the general fund fiscal year 1998 appropriation and \$2,000 of the general fund fiscal year 1999 appropriation are provided solely to implement Substitute House Bill No. 1748 or Substitute Senate Bill No. 5513 (vessel registration). If neither bill is enacted by June 30, 1997, the amount provided in this subsection shall lapse.

NEW SECTION. Sec. 402. FOR THE STATE PATROL

General Fund--State Appropriation (FY 1998).....	\$	7,712,000
General Fund--State Appropriation (FY 1999).....	\$	7,850,000
General		Fund--Federal
Appropriation.....	\$.....	
..... 3,990,000		
General Fund--Private/Local Appropriation.....	\$	341,000
Public Safety and Education Account		
Appropriation....	\$.....	
..... 4,652,000		
County Criminal Justice Assistance Account		

Appropriation.....	\$	3,905,000	
Municipal Criminal Justice Assistance Account			
Appropriation.....	\$	1,573,000	
Fire Service Trust Account Appropriation.....			\$
92,000			
Fire Service Training Account Appropriation.....	\$	1,762,000	
State Toxics Control Account Appropriation.....	\$	439,000	
Violence Reduction and Drug Enforcement Account			
Appropriation.....	\$	310,000	
Fingerprint Identification Account Appropriation....	\$	3,082,000	
TOTAL APPROPRIATION.....	\$	35,708,000	

The appropriations in this section are subject to the following conditions and limitations:

(1) \$254,000 of the fingerprint identification account appropriation is provided solely for an automated system that will facilitate the access of criminal history records remotely by computer or telephone for preemployment background checks and other non-law enforcement purposes. The agency shall submit an implementation status report to the office of financial management and the legislature by September 1, 1997.

(2) \$264,000 of the general fund--federal appropriation is provided solely for a feasibility study to develop a criminal investigation computer system. The study will report on the feasibility of developing a system that uses incident-based reporting as its foundation, consistent with FBI standards. The system will have the capability of connecting with local law enforcement jurisdictions as well as fire protection agencies conducting arson investigations. The study will report on the system requirements for incorporating case management, intelligence data, imaging, and geographic information. The system will also provide links to existing crime information databases such as WASIS and WACIC. The agency shall submit a copy of the proposed study workplan to the office of financial management and the department of information services for approval prior to expenditure. A final report shall be submitted to the appropriate committees of the legislature, the office of financial management, and the department of information services no later than June 30, 1998.

(End of part)

PART V
EDUCATION

*NEW SECTION. Sec. 501. FOR THE SUPERINTENDENT OF PUBLIC
INSTRUCTION--FOR STATE ADMINISTRATION

General Fund--State Appropriation (FY 1998).....	\$	24,575,000
General Fund--State Appropriation (FY 1999).....	\$	46,152,000
General		Fund--Federal
Appropriation.....	\$.....	.....
.....		49,439,000
Public Safety and Education Account		
Appropriation.....	\$	2,598,000
Health Services Account Appropriation.....	\$	400,000
Violence Reduction and Drug Enforcement Account		
Appropriation.....	\$	3,672,000
Education Savings Account Appropriation.....	\$	29,312,000
TOTAL APPROPRIATION.....	\$	156,148,000

The appropriations in this section are subject to the following conditions and limitations:

(1) AGENCY OPERATIONS

(a) \$394,000 of the general fund--state appropriation for fiscal year 1998 and \$394,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the operation and expenses of the state board of education, including basic education assistance activities.

(b) (i) \$250,000 of the general fund--state appropriation for fiscal year 1998 and \$250,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for enhancing computer systems and support in the office of superintendent of public instruction. These amounts shall be used to: Make a database of school information available electronically to schools, state government, and the general public; reduce agency and school district administrative costs through more effective use of technology; and replace paper reporting and publication to the extent feasible with electronic media. The superintendent, in cooperation with the commission on student learning, shall develop a state student record

system including elements reflecting student achievement. The system shall be made available to the office of financial management and the legislature with suitable safeguards of student confidentiality. The superintendent shall report to the office of financial management and the legislative fiscal committees by December 1 of each year of the biennium on the progress and plans for the expenditure of these amounts.

(ii) The superintendent, in cooperation with the commission on student learning, shall develop a feasibility plan for a state student record system, including elements reflecting student academic achievement on goals 1 and 2 under RCW 28A.150.210. The feasibility plan shall be made available to the office of financial management and the fiscal and education committees of the legislature for approval before a student records database is established, and shall identify data elements to be collected and suitable safeguards of student confidentiality and proper use of database records, with particular attention to eliminating unnecessary and intrusive data about nonacademic related information.

(c) \$348,000 of the public safety and education account appropriation is provided solely for administration of the traffic safety education program, including in-service training related to instruction in the risks of driving while under the influence of alcohol and other drugs.

(d) \$50,000 of the general fund--state appropriation for fiscal year 1998 and \$50,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to implement Substitute Senate Bill No. 5394 or Substitute House Bill No. 1776 (school audit resolutions). If neither bill is enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(e) The superintendent of public instruction shall not accept, allocate, or expend any federal funds to implement the federal goals 2000 program.

(2) STATE-WIDE PROGRAMS

(a) \$2,174,000 of the general fund--state appropriation is provided for in-service training and educational programs conducted by the Pacific Science Center.

(b) \$63,000 of the general fund--state appropriation is provided for operation of the Cispus environmental learning center.

(c) \$2,754,000 of the general fund--state appropriation is provided for educational centers, including state support activities.

(d) \$2,500,000 of the general fund--state fiscal year 1998 appropriation and \$2,500,000 of the general fund--state fiscal year 1999 appropriation are for initiatives to improve reading in early grades as identified in legislation enacted by the 1997 legislature, including Second Substitute Senate Bill No. 5508 and Engrossed Second Substitute House Bill No. 2042, including section 4 of the bill. Amounts appropriated in this subsection 2(d) shall lapse unless both bills are enacted as passed by the legislature.

(e) \$3,672,000 of the violence reduction and drug enforcement account appropriation and \$2,250,000 of the public safety education account appropriation are provided solely for matching grants to enhance security in schools. Not more than seventy-five percent of a district's total expenditures for school security in any school year may be paid from a grant under this subsection. The grants shall be expended solely for the costs of employing or contracting for building security monitors in schools during school hours and school events. Of the amount provided in this subsection, at least \$2,850,000 shall be spent for grants to districts that, during the 1988-89 school year, employed or contracted for security monitors in schools during school hours. However, these grants may be used only for increases in school district expenditures for school security over expenditure levels for the 1988-89 school year.

(f) \$200,000 of the general fund--state appropriation for fiscal year 1998, \$200,000 of the general fund--state appropriation for fiscal year 1999, and \$400,000 of the general fund--federal appropriation transferred from the department of health are provided solely for a program that provides grants to school districts for media campaigns promoting sexual abstinence and addressing the importance of delaying sexual activity, pregnancy, and childbearing until individuals are ready to nurture and support their children. Grants to the school districts shall be for projects that are substantially designed and produced by students. The grants shall require a local private sector match equal to one-half of the state grant, which may include in-kind contribution of technical or other assistance from consultants or firms involved in public relations, advertising broadcasting, and graphics or video production or other related fields.

(g) \$1,500,000 of the general fund--state appropriation for fiscal year 1998 and \$1,500,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for school district petitions to juvenile court for truant students as provided in RCW 28A.225.030 and 28A.225.035. Allocation of this money to school districts shall be based on the number of petitions filed.

(h) \$300,000 of the general fund--state appropriation is provided for alcohol and drug prevention programs pursuant to RCW 66.08.180.

(i) (i) \$5,000,000 of the general fund--state appropriation and \$14,656,000 of the education savings account appropriation for fiscal year 1998 and \$5,000,000 of the general fund--state appropriation and \$14,656,000 of the education savings account appropriation for fiscal year 1999 are provided solely for matching grants and related state activities to provide school district consortia with programs utilizing technology to improve learning. A maximum of \$100,000 each fiscal year of this amount is provided for administrative support and oversight of the K-20 network by the superintendent of public instruction. The superintendent of public instruction shall convene a technology grants committee representing private sector technology, school districts, and educational service districts to recommend to the superintendent grant proposals that have the best plans for improving student learning through innovative curriculum using technology as a learning tool and evaluating the effectiveness of the curriculum innovations. After considering the technology grants committee recommendations, the superintendent shall make matching grant awards, including granting at least fifteen percent of funds on the basis of criteria in (ii) (A) through (C) of this subsection (2) (h).

(ii) Priority for award of funds will be to (A) school districts most in need of assistance due to financial limits, (B) school districts least prepared to take advantage of technology as a means of improving student learning, and (C) school districts in economically distressed areas. The superintendent of public instruction, in consultation with the technology grants committee, shall propose options to the committee for identifying and prioritizing districts according to criteria in (i) and (ii) of this subsection (2) (i).

(iii) Options for review criteria to be considered by the superintendent of public instruction include, but are not limited to, free and reduced lunches, levy revenues, ending fund balances, equipment inventories, and surveys of technology preparedness. An

"economically distressed area" is (A) a county with an unemployment rate that is at least twenty percent above the state-wide average for the previous three years; (B) a county that has experienced sudden and severe or long-term and severe loss of employment, or erosion of its economic base resulting in decline of its dominant industries; or (C) a district within a county which (I) has at least seventy percent of its families and unrelated individuals with incomes below eighty percent of the county's median income for families and unrelated individuals; and (II) has an unemployment rate which is at least forty percent higher than the county's unemployment rate.

(j) \$50,000 of the general fund--state appropriations is provided as matching funds for district contributions to provide analysis of the efficiency of school district business practices. The superintendent of public instruction shall establish criteria, make awards, and provide a report to the fiscal committees of the legislature by December 15, 1997, on the progress and details of analysis funded under this subsection (2)(j).

(k) \$1,816,000 of the general fund--state fiscal year 1998 appropriation and \$3,378,000 of the general fund--state fiscal year 1999 appropriation are provided solely to implement Engrossed Second Substitute House Bill No. 2019, Substitute Senate Bill No. 5764, or Senate Bill No. 7901 (charter schools). If none of the bills is enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(i) The fiscal year 1998 amount appropriated in this subsection is provided for expenditure as follows:

(A) A maximum of \$300,000 for the appeals process;

(B) A maximum of \$75,000 for the study of charter schools;

(C) A maximum of \$530,000 for startup loans; and

(D) \$911,000 for apportionment to charter schools based on enrollment and other workload factors.

(ii) The fiscal year 1999 amount appropriated in this subsection is provided for expenditure as follows:

(A) A maximum of \$300,000 for the appeals process;

(B) A maximum of \$75,000 for the study of charter schools;

(C) A maximum of \$532,000 for startup loans; and

(D) \$2,471,000 for apportionment to charter schools based on enrollment and other workload factors.

(l) \$19,977,000 of the general fund--state appropriation for fiscal year 1999 is provided solely for the purchase of classroom

instructional materials and supplies. The superintendent shall allocate the funds at a maximum rate of \$20.82 per full-time equivalent student, beginning September 1, 1998, and ending June 30, 1999. The expenditure of the funds shall be determined at each school site by the school building staff, parents, and the community. School districts shall distribute all funds received to school buildings without deduction.

(m) \$15,000 of the general fund--state appropriation is provided solely to assist local districts vocational education programs in applying for low frequency FM radio licenses with the federal communications commission.

(n) \$35,000 of the general fund--state appropriation is provided solely to the state board of education to design a program to encourage high school students and other adults to pursue careers as vocational education teachers in the subject matter of agriculture.

(o) \$25,000 of the general fund--state appropriation for fiscal year 1998 and \$25,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for allocation to the primary coordinators of the state geographic alliance to improve the teaching of geography in schools.

(p) \$1,000,000 of the general fund--state appropriation is provided for state administrative costs and start-up grants for alternative programs and services that improve instruction and learning for at-risk students consistent with the objectives of Engrossed Substitute House Bill No. 1378 (educational opportunities). Each grant application shall contain proposed performance indicators and an evaluation plan to measure the success of the program and its impact on improved student learning. Applications shall contain the applicant's plan for maintaining the program and/or services after the grant period, shall address the needs of students who cannot be accommodated within the framework of existing school programs or services and shall address how the applicant will serve any student within the proposed program's target age range regardless of the reason for truancy, suspension, expulsion, or other disciplinary action. Up to \$50,000 per year may be used by the superintendent of public instruction for grant administration. The superintendent shall submit an evaluation of the alternative program start-up grants provided under this section, and section 501(2)(q), chapter 283, Laws of 1996, to the fiscal and education committees of the legislature by November 15, 1998. Grants

shall be awarded to applicants showing the greatest potential for improved student learning for at-risk students including:

(i) Students who have been suspended, expelled, or are subject to other disciplinary actions;

(ii) Students with unexcused absences who need intervention from community truancy boards or family support programs;

(iii) Students who have left school; and

(iv) Students involved with the court system.

The office of the superintendent of public instruction shall prepare a report describing student recruitment, program offerings, staffing practices, and available indicators of program effectiveness of alternative education programs funded with state and, to the extent information is available, local funds. The report shall contain a plan for conducting an evaluation of the educational effectiveness of alternative education programs.

*Sec. 501 was vetoed. See message at end of chapter.

NEW SECTION. **Sec. 502. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR GENERAL APPORTIONMENT (BASIC EDUCATION)**

General Fund Appropriation (FY 1998).....	\$ 3,429,727,000
General Fund Appropriation (FY 1999).....	\$ 3,511,157,000
TOTAL APPROPRIATION.....	\$ 6,940,884,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriation for fiscal year 1998 includes such funds as are necessary for the remaining months of the 1996-97 school year.

(2) Allocations for certificated staff salaries for the 1997-98 and 1998-99 school years shall be determined using formula-generated staff units calculated pursuant to this subsection. Staff allocations for small school enrollments in (d) through (f) of this subsection shall be reduced for vocational full-time equivalent enrollments. Staff allocations for small school enrollments in grades K-6 shall be the greater of that generated under (a) of this subsection, or under (d) and (e) of this subsection. Certificated staffing allocations shall be as follows:

(a) On the basis of each 1,000 average annual full-time equivalent enrollments, excluding full-time equivalent enrollment otherwise recognized for certificated staff unit allocations under (c) through (f) of this subsection:

(i) Four certificated administrative staff units per thousand full-time equivalent students in grades K-12;

(ii) 49 certificated instructional staff units per thousand full-time equivalent students in grades K-3;

(iii) An additional 5.3 certificated instructional staff units for grades K-3. Any funds allocated for these additional certificated units shall not be considered as basic education funding;

(A) Funds provided under this subsection (2)(a)(iii) in excess of the amount required to maintain the statutory minimum ratio established under RCW 28A.150.260(2)(b) shall be allocated only if the district documents an actual ratio equal to or greater than 54.3 certificated instructional staff per thousand full-time equivalent students in grades K-3. For any school district documenting a lower certificated instructional staff ratio, the allocation shall be based on the district's actual grades K-3 certificated instructional staff ratio achieved in that school year, or the statutory minimum ratio established under RCW 28A.150.260(2)(b), if greater;

(B) Districts at or above 51.0 certificated instructional staff per one thousand full-time equivalent students in grades K-3 may dedicate up to 1.3 of the 54.3 funding ratio to employ additional classified instructional assistants assigned to basic education classrooms in grades K-3. For purposes of documenting a district's staff ratio under this section, funds used by the district to employ additional classified instructional assistants shall be converted to a certificated staff equivalent and added to the district's actual certificated instructional staff ratio. Additional classified instructional assistants, for the purposes of this subsection, shall be determined using the 1989-90 school year as the base year;

(C) Any district maintaining a ratio equal to or greater than 54.3 certificated instructional staff per thousand full-time equivalent students in grades K-3 may use allocations generated under this subsection (2)(a)(iii) in excess of that required to maintain the minimum ratio established under RCW 28A.150.260(2)(b) to employ additional basic education certificated instructional staff or classified instructional assistants in grades 4-6. Funds allocated under this subsection (2)(a)(iii) shall only be expended to reduce class size in grades K-6. No more than 1.3 of the certificated instructional funding ratio amount may be expended for provision of classified instructional assistants; and

(iv) Forty-six certificated instructional staff units per thousand full-time equivalent students in grades 4-12;

(b) For school districts with a minimum enrollment of 250 full-time equivalent students whose full-time equivalent student enrollment count in a given month exceeds the first of the month full-time equivalent enrollment count by 5 percent, an additional state allocation of 110 percent of the share that such increased enrollment would have generated had such additional full-time equivalent students been included in the normal enrollment count for that particular month;

(c) On the basis of full-time equivalent enrollment in:

(i) Vocational education programs approved by the superintendent of public instruction, a maximum of 0.92 certificated instructional staff units and 0.08 certificated administrative staff units for each 18.3 full-time equivalent vocational students. Beginning with the 1998-99 school year, districts documenting staffing ratios of less than 1 certificated staff per 18.3 students shall be allocated the greater of the total ratio in subsections (2)(a)(i) and (iv) of this section or the actual documented ratio;

(ii) Skills center programs approved by the superintendent of public instruction, 0.92 certificated instructional staff units and 0.08 certificated administrative units for each 16.67 full-time equivalent vocational students;

(iii) Indirect cost charges, as defined by the superintendent of public instruction, to vocational-secondary programs shall not exceed 10 percent; and

(iv) Vocational full-time equivalent enrollment shall be reported on the same monthly basis as the enrollment for students eligible for basic support, and payments shall be adjusted for reported vocational enrollments on the same monthly basis as those adjustments for enrollment for students eligible for basic support.

(d) For districts enrolling not more than twenty-five average annual full-time equivalent students in grades K-8, and for small school plants within any school district which have been judged to be remote and necessary by the state board of education and enroll not more than twenty-five average annual full-time equivalent students in grades K-8:

(i) For those enrolling no students in grades 7 and 8, 1.76 certificated instructional staff units and 0.24 certificated administrative staff units for enrollment of not more than five

students, plus one-twentieth of a certificated instructional staff unit for each additional student enrolled; and

(ii) For those enrolling students in grades 7 or 8, 1.68 certificated instructional staff units and 0.32 certificated administrative staff units for enrollment of not more than five students, plus one-tenth of a certificated instructional staff unit for each additional student enrolled;

(e) For specified enrollments in districts enrolling more than twenty-five but not more than one hundred average annual full-time equivalent students in grades K-8, and for small school plants within any school district which enroll more than twenty-five average annual full-time equivalent students in grades K-8 and have been judged to be remote and necessary by the state board of education:

(i) For enrollment of up to sixty annual average full-time equivalent students in grades K-6, 2.76 certificated instructional staff units and 0.24 certificated administrative staff units; and

(ii) For enrollment of up to twenty annual average full-time equivalent students in grades 7 and 8, 0.92 certificated instructional staff units and 0.08 certificated administrative staff units;

(f) For districts operating no more than two high schools with enrollments of less than three hundred average annual full-time equivalent students, for enrollment in grades 9-12 in each such school, other than alternative schools:

(i) For remote and necessary schools enrolling students in any grades 9-12 but no more than twenty-five average annual full-time equivalent students in grades K-12, four and one-half certificated instructional staff units and one-quarter of a certificated administrative staff unit;

(ii) For all other small high schools under this subsection, nine certificated instructional staff units and one-half of a certificated administrative staff unit for the first sixty average annual full time equivalent students, and additional staff units based on a ratio of 0.8732 certificated instructional staff units and 0.1268 certificated administrative staff units per each additional forty-three and one-half average annual full time equivalent students.

Units calculated under (f)(ii) of this subsection shall be reduced by certificated staff units at the rate of forty-six certificated instructional staff units and four certificated administrative staff units per thousand vocational full-time equivalent students.

(g) For each nonhigh school district having an enrollment of more than seventy annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-8 program or a grades 1-8 program, an additional one-half of a certificated instructional staff unit; and

(h) For each nonhigh school district having an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, operating a grades K-6 program or a grades 1-6 program, an additional one-half of a certificated instructional staff unit.

(3) Allocations for classified salaries for the 1997-98 and 1998-99 school years shall be calculated using formula-generated classified staff units determined as follows:

(a) For enrollments generating certificated staff unit allocations under subsection (2) (d) through (h) of this section, one classified staff unit for each three certificated staff units allocated under such subsections;

(b) For all other enrollment in grades K-12, including vocational full-time equivalent enrollments, one classified staff unit for each sixty average annual full-time equivalent students; and

(c) For each nonhigh school district with an enrollment of more than fifty annual average full-time equivalent students and less than one hundred eighty students, an additional one-half of a classified staff unit.

(4) Fringe benefit allocations shall be calculated at a rate of 20.22 percent in the 1997-98 and 1998-99 school years for certificated salary allocations provided under subsection (2) of this section, and a rate of 18.65 percent in the 1997-98 and 1998-99 school years for classified salary allocations provided under subsection (3) of this section.

(5) Insurance benefit allocations shall be calculated at the maintenance rate specified in section 504(2) of this act, based on the number of benefit units determined as follows:

(a) The number of certificated staff units determined in subsection (2) of this section; and

(b) The number of classified staff units determined in subsection (3) of this section multiplied by 1.152. This factor is intended to adjust allocations so that, for the purposes of distributing insurance benefits, full-time equivalent classified employees may be calculated

on the basis of 1440 hours of work per year, with no individual employee counted as more than one full-time equivalent.

(6)(a) For nonemployee-related costs associated with each certificated staff unit allocated under subsection (2) (a), (b), and (d) through (h) of this section, there shall be provided a maximum of \$7,950 per certificated staff unit in the 1997-98 school year and a maximum of \$8,165 per certificated staff unit in the 1998-99 school year.

(b) For nonemployee-related costs associated with each vocational certificated staff unit allocated under subsection (2)(c) of this section, there shall be provided a maximum of \$15,147 per certificated staff unit in the 1997-98 school year and a maximum of \$15,556 per certificated staff unit in the 1998-99 school year.

(7) Allocations for substitute costs for classroom teachers shall be distributed at a maintenance rate of \$354.64 per allocated classroom teachers exclusive of salary increase amounts provided in section 504 of this act. Solely for the purposes of this subsection, allocated classroom teachers shall be equal to the number of certificated instructional staff units allocated under subsection (2) of this section, multiplied by the ratio between the number of actual basic education certificated teachers and the number of actual basic education certificated instructional staff reported state-wide for the 1996-97 school year.

(8) Any school district board of directors may petition the superintendent of public instruction by submission of a resolution adopted in a public meeting to reduce or delay any portion of its basic education allocation for any school year. The superintendent of public instruction shall approve such reduction or delay if it does not impair the district's financial condition. Any delay shall not be for more than two school years. Any reduction or delay shall have no impact on levy authority pursuant to RCW 84.52.0531 and local effort assistance pursuant to chapter 28A.500 RCW.

(9) The superintendent may distribute a maximum of \$6,124,000 outside the basic education formula during fiscal years 1998 and 1999 as follows:

(a) For fire protection for school districts located in a fire protection district as now or hereafter established pursuant to chapter 52.04 RCW, a maximum of \$447,000 may be expended in fiscal year 1998 and a maximum of \$459,000 may be expended in fiscal year 1999;

(b) For summer vocational programs at skills centers, a maximum of \$1,948,000 may be expended each fiscal year;

(c) A maximum of \$321,000 may be expended for school district emergencies; and

(d) A maximum of \$500,000 per fiscal year may be expended for programs providing skills training for secondary students who are enrolled in extended day school-to-work programs, as approved by the superintendent of public instruction. The funds shall be allocated at a rate not to exceed \$500 per full-time equivalent student enrolled in those programs.

(10) For the purposes of RCW 84.52.0531, the increase per full-time equivalent student in state basic education appropriations provided under this act, including appropriations for salary and benefits increases, is 2.5 percent from the 1996-97 school year to the 1997-98 school year, and 1.1 percent from the 1997-98 school year to the 1998-99 school year.

(11) If two or more school districts consolidate and each district was receiving additional basic education formula staff units pursuant to subsection (2) (b) through (h) of this section, the following shall apply:

(a) For three school years following consolidation, the number of basic education formula staff units shall not be less than the number of basic education formula staff units received by the districts in the school year prior to the consolidation; and

(b) For the fourth through eighth school years following consolidation, the difference between the basic education formula staff units received by the districts for the school year prior to consolidation and the basic education formula staff units after consolidation pursuant to subsection (2) (a) through (h) of this section shall be reduced in increments of twenty percent per year.

***NEW SECTION. Sec. 503. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--BASIC EDUCATION EMPLOYEE COMPENSATION**

(1) The following calculations determine the salaries used in the general fund allocations for certificated instructional, certificated administrative, and classified staff units under section 502 of this act:

(a) Salary allocations for certificated instructional staff units shall be determined for each district by multiplying the district's certificated instructional derived base salary shown on LEAP Document

12D, by the district's average staff mix factor for basic education and special education certificated instructional staff in that school year, computed using LEAP Document 1A; and

(b) Salary allocations for certificated administrative staff units and classified staff units for each district shall be based on the district's certificated administrative and classified salary allocation amounts shown on LEAP Document 12D.

(2) For the purposes of this section:

(a) "Basic education certificated instructional staff" is defined as provided in RCW 28A.150.100 and "special education certificated staff" means staff assigned to the state-supported special education program pursuant to chapter 28A.155 RCW in positions requiring a certificate;

(b) "LEAP Document 1A" means the computerized tabulation establishing staff mix factors for certificated instructional staff according to education and years of experience, as developed by the legislative evaluation and accountability program committee on April 8, 1991, at 13:35 hours; and

(c) "LEAP Document 12D" means the computerized tabulation of 1997-98 and 1998-99 school year salary allocations for basic education certificated administrative staff and basic education classified staff and derived base salaries for basic education certificated instructional staff as developed by the legislative evaluation and accountability program committee on March 21, 1997 at 16:37 hours.

(3) Incremental fringe benefit factors shall be applied to salary adjustments at a rate of 19.58 percent for certificated staff and 15.15 percent for classified staff for both years of the biennium.

(4) (a) Pursuant to RCW 28A.150.410, the following state-wide salary allocation schedules for certificated instructional staff are established for basic education salary allocations:

STATE-WIDE SALARY ALLOCATION SCHEDULE
FOR THE 1997-98 AND 1998-99 SCHOOL YEARS

Years of Service	BA	BA+15	BA+30	BA+45	BA+90
0	22,950	23,570	24,212	24,855	26,920
1	23,702	24,342	25,005	25,690	27,816
2	24,469	25,129	25,812	26,563	28,725
3	25,275	25,955	26,657	27,450	29,650

4	26,095	26,818	27,540	28,375	30,632
5	26,953	27,695	28,437	29,336	31,629
6	27,847	28,586	29,370	30,333	32,661
7	28,756	29,513	30,316	31,341	33,727
8	29,678	30,477	31,299	32,408	34,827
9		31,475	32,337	33,487	35,962
10			33,388	34,621	37,129
11				35,788	38,351
12				36,918	39,605
13					40,890
14					42,182
15 or more					43,279

Years of Service	MA+90			
	BA+135	MA	MA+45	or PHD
0	28,251	27,516	29,581	30,912
1	29,165	28,351	30,477	31,825
2	30,115	29,224	31,386	32,774
3	31,100	30,111	32,311	33,761
4	32,123	31,036	33,293	34,783
5	33,180	31,996	34,290	35,840
6	34,250	32,994	35,322	36,911
7	35,377	34,002	36,388	38,038
8	36,537	35,069	37,488	39,198
9	37,730	36,147	38,623	40,391
10	38,956	37,282	39,790	41,617
11	40,214	38,449	41,012	42,875
12	41,525	39,662	42,266	44,186
13	42,867	40,917	43,551	45,528
14	44,260	42,210	44,927	46,921
15 or more	45,411	43,307	46,095	48,141

(b) As used in this subsection, the column headings "BA+(N)" refer to the number of credits earned since receiving the baccalaureate degree.

(c) For credits earned after the baccalaureate degree but before the masters degree, any credits in excess of forty-five credits may be counted after the masters degree. Thus, as used in this subsection, the column headings "MA+(N)" refer to the total of:

(i) Credits earned since receiving the masters degree; and
(ii) Any credits in excess of forty-five credits that were earned after the baccalaureate degree but before the masters degree.

(5) For the purposes of this section:

(a) "BA" means a baccalaureate degree.

(b) "MA" means a masters degree.

(c) "PHD" means a doctorate degree.

(d) "Years of service" shall be calculated under the same rules adopted by the superintendent of public instruction.

(e) "Credits" means college quarter hour credits and equivalent in-service credits computed in accordance with RCW 28A.415.020.

(6) No more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in this act, or any replacement schedules and documents, unless:

(a) The employee has a masters degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(7) (a) Credits earned by certificated instructional staff after September 1, 1995, shall be counted only if the content of the course: (i) Is consistent with the school district's strategic plan for improving student learning; (ii) is consistent with a school-based plan for improving student learning as required by the annual school performance report, under RCW 28A.320.205, for the school in which the individual is assigned; (iii) pertains to the individual's current assignment or expected assignment for the following school year; (iv) is necessary for obtaining an endorsement as prescribed by the state board of education; (v) is specifically required for obtaining advanced levels of certification; or (vi) is included in a college or university degree program that pertains to the individual's current assignment, or potential future assignment, as a certificated instructional staff.

(b) Once credits earned by certificated instructional staff have been determined to meet one or more of the criteria in (a) of this subsection, the credits shall be counted even if the individual transfers to other school districts.

(8) The salary allocation schedules established in this section are for allocation purposes only except as provided in RCW 28A.400.200(2).

*Sec. 503 was vetoed. See message at end of chapter.

*NEW SECTION. Sec. 504. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL EMPLOYEE COMPENSATION ADJUSTMENTS

General Fund Appropriation (FY 1998).....	\$ 79,975,000
General Fund Appropriation (FY 1999).....	\$ 116,311,000
TOTAL APPROPRIATION.....	\$ 196,286,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$176,535,000 is provided for a cost of living adjustment of 3.0 percent effective September 1, 1997, for state formula staff units. The appropriations include associated incremental fringe benefit allocations at rates of 19.58 percent for certificated staff and 15.15 percent for classified staff.

(a) The appropriations in this section include the increased portion of salaries and incremental fringe benefits for all relevant state-funded school programs in part V of this act. Salary adjustments for state employees in the office of superintendent of public instruction and the education reform program are provided in part VII of this act. Increases for general apportionment (basic education) are based on the salary allocation schedules and methodology in section 503 of this act. Increases for special education result from increases in each district's basic education allocation per student. Increases for educational service districts and institutional education programs are determined by the superintendent of public instruction using the methodology for general apportionment salaries and benefits in section 503 of this act.

(b) The appropriations in this section provide salary increase and incremental fringe benefit allocations based on formula adjustments as follows:

(i) For pupil transportation, an increase of \$0.60 per weighted pupil-mile for the 1997-98 school year and maintained for the 1998-99 school year;

(ii) For education of highly capable students, an increase of \$6.81 per formula student for the 1997-98 school year and maintained for the 1998-99 school year; and

(iii) For transitional bilingual education, an increase of \$17.69 per eligible bilingual student for the 1997-98 school year and maintained for the 1998-99 school year; and

(iv) For learning assistance, an increase of \$8.74 per entitlement unit for the 1997-98 school year and maintained for the 1998-99 school year.

(c) The appropriations in this section include \$912,000 for salary increase adjustments for substitute teachers at a rate of \$10.64 per unit in the 1997-98 school year and maintained in the 1998-99 school year.

(2) \$19,751,000 is provided for adjustments to insurance benefit allocations. The maintenance rate for insurance benefit allocations is \$314.51 per month for the 1997-98 and 1998-99 school years. The appropriations in this section provide increases of \$2.83 per month for the 1997-98 school year and \$18.41 per month for the 1998-99 school year at the following rates:

(a) For pupil transportation, an increase of \$0.03 per weighted pupil-mile for the 1997-98 school year and \$0.19 for the 1998-99 school year;

(b) For education of highly capable students, an increase of \$0.20 per formula student for the 1997-98 school year and \$1.35 for the 1998-99 school year;

(c) For transitional bilingual education, an increase of \$.46 per eligible bilingual student for the 1997-98 school year and \$3.44 for the 1998-99 school year; and

(d) For learning assistance, an increase of \$.36 per funded unit for the 1997-98 school year and \$2.70 for the 1998-99 school year.

(3) The rates specified in this section are subject to revision each year by the legislature.

(4)(a) For the 1997-98 school year, the superintendent shall prepare a report showing the allowable derived base salary for certificated instructional staff in accordance with RCW 28A.400.200 and LEAP Document 12D, and the actual derived base salary paid by each school district as shown on the S-275 report and shall make the report available to the fiscal committees of the legislature no later than February 15, 1998.

(b) For the 1998-99 school year, the superintendent shall reduce the percent of salary increase funds provided in section 504 of this act by the percentage by which a district exceeds the allowable derived base salary for certificated instructional staff as shown on LEAP Document 12D.

(5) *Cost-of-living funds provided to school districts under this section for classified staff shall be distributed to each and every formula funded employee at 3.0 percent, effective September 1, 1997.*

*Sec. 504 was vetoed. See message at end of chapter.

NEW SECTION. **Sec. 505. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PUPIL TRANSPORTATION**

General Fund Appropriation (FY 1998).....	\$ 174,344,000
General Fund Appropriation (FY 1999).....	\$ 179,560,000
TOTAL APPROPRIATION.....	\$ 353,904,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriation for fiscal year 1998 includes such funds as are necessary for the remaining months of the 1996-97 school year.

(2) A maximum of \$1,451,000 may be expended for regional transportation coordinators and related activities. The transportation coordinators shall ensure that data submitted by school districts for state transportation funding shall, to the greatest extent practical, reflect the actual transportation activity of each district.

(3) \$30,000 of the fiscal year 1998 appropriation and \$40,000 of the fiscal year 1999 appropriation are provided solely for the transportation of students enrolled in "choice" programs. Transportation shall be limited to low-income students who are transferring to "choice" programs solely for educational reasons.

(4) Allocations for transportation of students shall be based on reimbursement rates of \$34.47 per weighted mile in the 1997-98 school year and \$34.76 per weighted mile in the 1998-99 school year exclusive of salary and benefit adjustments provided in section 504 of this act. Allocations for transportation of students transported more than one radius mile shall be based on weighted miles as determined by superintendent of public instruction times the per mile reimbursement rates for the school year pursuant to the formulas adopted by the superintendent of public instruction. Allocations for transportation of students living within one radius mile shall be based on the number of enrolled students in grades kindergarten through five living within one radius mile of their assigned school times the per mile reimbursement rate for the school year times 1.29.

NEW SECTION. **Sec. 506. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SCHOOL FOOD SERVICE PROGRAMS**

General Fund--State Appropriation (FY 1998).....	\$	3,075,000
General Fund--State Appropriation (FY 1999).....	\$	3,075,000
General		Fund--Federal
Appropriation.....	\$.....	
.....		194,483,000
TOTAL APPROPRIATION.....	\$	200,633,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$6,000,000 of the general fund--state appropriations are provided for state matching money for federal child nutrition programs.

(2) \$150,000 of the general fund--state appropriations are provided for summer food programs for children in low-income areas.

NEW SECTION. **Sec. 507. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR SPECIAL EDUCATION PROGRAMS**

General Fund--State Appropriation (FY 1998).....	\$	370,486,000
General Fund--State Appropriation (FY 1999).....	\$	374,327,000
General		Fund--Federal
Appropriation.....	\$.....	
.....		135,106,000
TOTAL APPROPRIATION.....	\$	879,919,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriation for fiscal year 1998 includes such funds as are necessary for the remaining months of the 1996-97 school year.

(2) The superintendent of public instruction shall distribute state funds to school districts based on two categories, the optional birth through age two program for special education eligible developmentally delayed infants and toddlers, and the mandatory special education program for special education eligible students ages three to twenty-one. A "special education eligible student" means a student receiving specially designed instruction in accordance with a properly formulated individualized education program.

(3) For the 1997-98 and 1998-99 school years, the superintendent shall distribute state funds to each district based on the sum of:

(a) A district's annual average headcount enrollment of developmentally delayed infants and toddlers ages birth through two, times the district's average basic education allocation per full-time equivalent student, times 1.15; and

(b) A district's annual average full-time equivalent basic education enrollment times the funded enrollment percent determined pursuant to subsection (4)(c) of this section, times the district's average basic education allocation per full-time equivalent student times 0.9309.

(4) The definitions in this subsection apply throughout this section.

(a) "Average basic education allocation per full-time equivalent student" for a district shall be based on the staffing ratios required by RCW 28A.150.260 (i.e., 49/1000 certificated instructional staff in grades K-3, and 46/1000 in grades 4-12) and shall not include enhancements for K-3, secondary vocational education, or small schools.

(b) "Annual average full-time equivalent basic education enrollment" means the resident enrollment including students enrolled through choice (RCW 28A.225.225) and students from nonhigh districts (RCW 28A.225.210) and excluding students residing in another district enrolled as part of an interdistrict cooperative program (RCW 28A.225.250).

(c) "Enrollment percent" means the district's resident special education annual average enrollment including those students counted under the special education demonstration projects, excluding the birth through age two enrollment, as a percent of the district's annual average full-time equivalent basic education enrollment. For the 1997-98 and the 1998-99 school years, each district's funded enrollment percent shall be:

(i) For districts whose enrollment percent for 1994-95 was at or below 12.7 percent, the lesser of the district's actual enrollment percent for the school year for which the allocation is being determined or 12.7 percent.

(ii) For districts whose enrollment percent for 1994-95 was above 12.7 percent, the lesser of:

(A) The district's actual enrollment percent for the school year for which the special education allocation is being determined; or

(B) The district's actual enrollment percent for the school year immediately prior to the school year for which the special education allocation is being determined if greater than 12.7 percent; or

(C) For 1997-98, the 1994-95 enrollment percent reduced by 75 percent of the difference between the district's 1994-95 enrollment percent and 12.7 percent and for 1998-99, 12.7 percent.

(5) At the request of any interdistrict cooperative of at least 15 districts in which all excess cost services for special education students of the districts are provided by the cooperative, the maximum enrollment percent shall be 12.7, and shall be calculated in the aggregate rather than individual district units. For purposes of this subsection (4) of this section, the average basic education allocation per full-time equivalent student shall be calculated in the aggregate rather than individual district units.

(6) A maximum of \$12,000,000 of the general fund--state appropriation for fiscal year 1998 and a maximum of \$12,000,000 of the general fund--state appropriation for fiscal year 1999 are provided as safety net funding for districts with demonstrated needs for state special education funding beyond the amounts provided in subsection (3) of this section. Safety net funding shall be awarded by the state safety net oversight committee.

(a) The safety net oversight committee shall first consider the needs of districts adversely affected by the 1995 change in the special education funding formula. Awards shall be based on the amount required to maintain the 1994-95 state special education excess cost allocation to the school district in aggregate or on a dollar per funded student basis.

(b) The committee shall then consider unusual needs of districts due to a special education population which differs significantly from the assumptions of the state funding formula. Awards shall be made to districts that convincingly demonstrate need due to the concentration and/or severity of disabilities in the district. Differences in program costs attributable to district philosophy or service delivery style are not a basis for safety net awards.

(7) Prior to June 1st of each year, the superintendent shall make available to each school district from available data the district's maximum funded enrollment percent for the coming school year.

(8) The superintendent of public instruction may adopt such rules and procedures as are necessary to administer the special education funding and safety net award process. Prior to revising any

standards, procedures, or rules in place for the 1996-97 school year, the superintendent shall consult with the office of financial management and the fiscal committees of the legislature.

(9) The safety net oversight committee appointed by the superintendent of public instruction shall consist of:

(a) Staff of the office of superintendent of public instruction;

(b) Staff of the office of the state auditor;

(c) Staff from the office of the financial management; and

(d) One or more representatives from school districts or educational service districts knowledgeable of special education programs and funding.

(10) A maximum of \$4,500,000 of the general fund--federal appropriation shall be expended for safety net funding to meet the extraordinary needs of one or more individual special education students.

(11) A maximum of \$678,000 may be expended from the general fund--state appropriations to fund 5.43 full-time equivalent teachers and 2.1 full-time equivalent aides at children's orthopedic hospital and medical center. This amount is in lieu of money provided through the home and hospital allocation and the special education program.

(12) A maximum of \$1,000,000 of the general fund--federal appropriation is provided for projects to provide special education students with appropriate job and independent living skills, including work experience where possible, to facilitate their successful transition out of the public school system. The funds provided by this subsection shall be from federal discretionary grants.

(13) A school district may carry over up to 10 percent of general fund--state funds allocated under this program; however, carry over funds shall be expended in the special education program.

(14) Beginning in the 1997-98 school year, the superintendent shall increase the percentage of federal flow-through to school districts to at least 84 percent. In addition to other purposes, school districts may use increased federal funds for high cost students, for purchasing regional special education services from educational service districts, and for staff development activities particularly relating to inclusion issues.

(15) Up to one percent of the general fund--federal appropriation shall be expended by the superintendent for projects related to use of inclusion strategies by school districts for provision of special education services. The superintendent shall prepare an information

database on laws, best practices, examples of programs, and recommended resources. The information may be disseminated in a variety of ways, including workshops and other staff development activities.

(16) Amounts appropriated within this section are sufficient to fund section 5 of Second Substitute House Bill No. 1709 (mandate on school districts).

NEW SECTION. Sec. 508. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRAFFIC SAFETY EDUCATION PROGRAMS

Public Safety and Education Account

Appropriation..... \$ 17,179,000

The appropriation in this section is subject to the following conditions and limitations:

(1) The appropriation includes such funds as are necessary for the remaining months of the 1996-97 school year.

(2) A maximum of \$507,000 shall be expended for regional traffic safety education coordinators.

(3) The maximum basic state allocation per student completing the program shall be \$137.16 in the 1997-98 and 1998-99 school years.

(4) Additional allocations to provide tuition assistance for students from low-income families who complete the program shall be a maximum of \$66.81 per eligible student in the 1997-98 and 1998-99 school years.

NEW SECTION. Sec. 509. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR EDUCATIONAL SERVICE DISTRICTS

General Fund Appropriation (FY 1998)..... \$ 4,511,000

General Fund Appropriation (FY 1999)..... \$ 4,510,000

TOTAL APPROPRIATION..... \$ 9,021,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The educational service districts shall continue to furnish financial services required by the superintendent of public instruction and RCW 28A.310.190 (3) and (4).

(2) \$250,000 of the general fund appropriation for fiscal year 1998 and \$250,000 of the general fund appropriation for fiscal year

1999 are provided solely for student teaching centers as provided in RCW 28A.415.100.

(3) A maximum of \$500,000 is provided for centers for the improvement of teaching pursuant to RCW 28A.415.010.

***NEW SECTION. Sec. 510. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR LOCAL EFFORT ASSISTANCE**

General Fund Appropriation (FY 1998).....	\$ 84,598,000
General Fund Appropriation (FY 1999).....	\$ 89,354,000
TOTAL APPROPRIATION.....	\$ 173,952,000

*Sec. 510 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 511. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE ELEMENTARY AND SECONDARY SCHOOL IMPROVEMENT ACT

General	Fund--Federal
Appropriation.....	\$.....
..... 255,987,000	

NEW SECTION. Sec. 512. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR INSTITUTIONAL EDUCATION PROGRAMS

General Fund--State Appropriation (FY 1998).....	\$ 18,327,000
General Fund--State Appropriation (FY 1999).....	\$ 19,131,000
General	Fund--Federal
Appropriation.....	\$.....
..... 8,548,000	
TOTAL APPROPRIATION.....	\$ 46,006,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The general fund--state appropriation for fiscal year 1998 includes such funds as are necessary for the remaining months of the 1996-97 school year.

(2) State funding provided under this section is based on salaries and other expenditures for a 220-day school year. The superintendent of public instruction shall monitor school district expenditure plans for institutional education programs to ensure that districts plan for a full-time summer program.

(3) State funding for each institutional education program shall be based on the institution's annual average full-time equivalent

student enrollment. Staffing ratios for each category of institution shall remain the same as those funded in the 1995-97 biennium.

(4) \$758,000 of the general fund--state fiscal year 1998 appropriation and \$704,000 of the general fund--state fiscal year 1999 appropriation are provided solely for the implementation of Engrossed Third Substitute House Bill No. 3900 (revising the juvenile code). If the bill is not enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

NEW SECTION. Sec. 513. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR PROGRAMS FOR HIGHLY CAPABLE STUDENTS

General Fund Appropriation (FY 1998).....	\$	5,752,000
General Fund Appropriation (FY 1999).....	\$	6,176,000
TOTAL APPROPRIATION.....	\$	11,928,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriation for fiscal year 1998 includes such funds as are necessary for the remaining months of the 1996-97 school year.

(2) Allocations for school district programs for highly capable students shall be distributed at a maximum rate of \$311.12 per funded student for the 1997-98 school year and \$311.58 per funded student for the 1998-99 school year, exclusive of salary and benefit adjustments pursuant to section 504 of this act. The number of funded students shall be a maximum of two percent of each district's full-time equivalent basic education enrollment.

(3) \$350,000 of the appropriation is for the centrum program at Fort Worden state park.

(4) \$186,000 of the appropriation is for the odyssey of the mind and future problem-solving programs.

***NEW SECTION. Sec. 514. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--EDUCATION REFORM PROGRAMS**

General Fund Appropriation (FY 1998).....	\$	18,905,000
General Fund Appropriation (FY 1999).....	\$	21,868,000
TOTAL APPROPRIATION.....	\$	40,773,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$18,103,000 is provided for the operation of the commission on student learning and the development and implementation of student assessments. The commission shall cooperate with the superintendent of public instruction in defining measures of student achievement to be included in the student record system developed by the superintendent pursuant to section 501(1)(b) of this act. The timelines for development of assessments are funded in accordance with the timelines proposed in Engrossed Second Substitute House Bill No. 1777.

(2) \$2,190,000 is provided solely for training of paraprofessional classroom assistants and certificated staff who work with classroom assistants as provided in RCW 28A.415.310.

(3) \$2,970,000 is provided for mentor teacher assistance, including state support activities, under RCW 28A.415.250 and 28A.415.260. Funds for the teacher assistance program shall be allocated to school districts based on the number of beginning teachers.

(4) \$4,050,000 is provided for improving technology infrastructure, monitoring and reporting on school district technology development, promoting standards for school district technology, promoting statewide coordination and planning for technology development, and providing regional educational technology support centers, including state support activities, under chapter 28A.650 RCW.

(5) \$7,200,000 is provided for grants to school districts to provide a continuum of care for children and families to help children become ready to learn. Grant proposals from school districts shall contain local plans designed collaboratively with community service providers. If a continuum of care program exists in the area in which the school district is located, the local plan shall provide for coordination with existing programs to the greatest extent possible. Grant funds shall be allocated pursuant to RCW 70.190.040.

(6) \$5,000,000 is provided solely for the meals for kids program under RCW 28A.235.145 through 28A.235.155.

(7) \$1,260,000 is provided for technical assistance related to education reform through the office of the superintendent of public instruction, in consultation with the commission on student learning, as specified in RCW 28A.300.130 (center for the improvement of student learning).

(8) The superintendent of public instruction shall not accept, allocate, or expend any federal funds to implement the federal goals 2000 program.

*Sec. 514 was vetoed. See message at end of chapter.

*NEW SECTION. **Sec. 515. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR TRANSITIONAL BILINGUAL PROGRAMS**

General Fund Appropriation (FY 1998).....	\$	31,146,000
General Fund Appropriation (FY 1999).....	\$	33,414,000
TOTAL APPROPRIATION.....	\$	64,560,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriation for fiscal year 1998 provides such funds as are necessary for the remaining months of the 1996-97 school year.

(2) The superintendent shall distribute a maximum of \$643.78 per eligible bilingual student in the 1997-98 school year, exclusive of salary and benefit adjustments provided in section 504 of this act.

(3) A student shall be eligible for funding under this section if the student is enrolled in grades K-12 pursuant to WAC 392-121-106 and is receiving specialized instruction pursuant to chapter 28A.180 RCW.

(4) The superintendent shall distribute a maximum of \$643.78 per eligible weighted bilingual student in the 1998-99 school year exclusive of salary and benefit adjustments provided in section 504 of this act.

(5) The following factors shall be used to calculate weightings for the 1998-99 school year.

(a) Grades Level

- (i) K-5..... .35
- (ii) 6-8..... .50
- (iii) 9-12..... .72

(b) Time in Program

- (i) Up to 1 year..... .82
- (ii) 1 to 2 years..... .62
- (iii) 2 to 3 years..... .41
- (iv) more than 3 years.... .21

(c) The grade level weight and time in program weight shall be summed for each eligible student and the result shall be multiplied by the rate per weighted student specified in subsection (3) of this section.

(d) Time in program under (b) of this subsection shall be calculated in accordance with WAC 392-160-035.

*Sec. 515 was partially vetoed. See message at end of chapter.

NEW SECTION. **Sec. 516. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--FOR THE LEARNING ASSISTANCE PROGRAM**

General Fund Appropriation (FY 1998).....	\$ 60,309,000
General Fund Appropriation (FY 1999).....	\$ 60,862,000
TOTAL APPROPRIATION.....	\$ 121,171,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriation for fiscal year 1998 provides such funds as are necessary for the remaining months of the 1996-97 school year.

(2) For making the calculation of the percentage of students scoring in the lowest quartile as compared with national norms, beginning with the 1991-92 school year, the superintendent shall multiply each school district's 4th and 8th grade test results by 0.86.

(3) Funding for school district learning assistance programs shall be allocated at maximum rates of \$378.33 per funded unit for the 1997-98 school year and \$379.47 per funded unit for the 1998-99 school year exclusive of salary and benefit adjustments provided in section 504 of this act. School districts may carryover up to 10 percent of funds allocated under this program; however, carryover funds shall be expended for the learning assistance program.

(a) A school district's funded units for the 1997-98 and 1998-99 school years shall be the sum of the following:

(i) The district's full-time equivalent enrollment in kindergarten through 6th grade, times the 5-year average 4th grade test result as adjusted pursuant to subsection (2) of this section, times 0.92; and

(ii) The district's full-time equivalent enrollment in grades 7 through 9, times the 5-year average 8th grade test result as adjusted pursuant to subsection (2) of this section, times 0.92; and

(iii) If in the prior school year the district's percentage of October headcount enrollment in grades K-12 eligible for free and

reduced price lunch exceeded the state average, subtract the state average percentage of students eligible for free and reduced price lunch from the district's percentage and multiply the result by the district's K-12 annual average full-time equivalent enrollment for the current school year times 22.30 percent.

***NEW SECTION. Sec. 517. FOR THE SUPERINTENDENT OF PUBLIC INSTRUCTION--LOCAL ENHANCEMENT FUNDS**

General Fund Appropriation (FY 1998).....	\$ 45,404,000
General Fund Appropriation (FY 1999).....	\$ 51,375,000
TOTAL APPROPRIATION.....	\$ 96,779,000

The appropriations in this section are subject to the following conditions and limitations:

(1) A maximum of \$40,841,000 is provided for learning improvement allocations to school districts to enhance the ability of instructional staff to teach and assess the essential academic learning requirements for reading, writing, communication, and math in accordance with the timelines and requirements established under RCW 28A.630.885. However, special emphasis shall be given to the successful teaching of reading. Allocations under this section shall be subject to the following conditions and limitations:

(a) In accordance with the timetable for the implementation of the assessment system by the commission on student learning, the allocations for the 1997-98 and 1998-99 school years shall be at a maximum annual rate per full-time equivalent student of \$30 for students enrolled in grades K-4, \$24 for students enrolled in grades 5-7, and \$18 for students enrolled in grades 8-12. Allocations shall be made on the monthly apportionment schedule provided in RCW 28A.510.250.

(b) A district receiving learning improvement allocations shall:

(i) Develop and keep on file at each building a student learning improvement plan to achieve the student learning goals and essential academic learning requirements and to implement the assessment system as it is developed. The plan shall delineate how the learning improvement allocations will be used to accomplish the foregoing. The plan shall be made available to the public upon request;

(ii) Maintain a policy regarding the involvement of school staff, parents, and community members in instructional decisions;

(iii) File a report by October 1, 1998, and October 1, 1999, with the office of the superintendent of public instruction, in a format developed by the superintendent that: Enumerates the activities funded by these allocations; the amount expended for each activity; describes how the activity improved understanding, teaching, and assessment of the essential academic learning requirements by instructional staff; and identifies any amounts expended from this allocation for supplemental contracts; and

(iv) Provide parents and the local community with specific information on the use of this allocation by including in the annual performance report required in RCW 28A.320.205, information on how funds allocated under this subsection were spent and the results achieved.

(c) The superintendent of public instruction shall compile and analyze the school district reports and present the results to the office of financial management and the appropriate committees of the legislature no later than November 15, 1998, and November 15, 1999.

(2) \$55,937,000 is provided for local education program enhancements to meet educational needs as identified by the school district, including alternative education programs. This amount includes such amounts as are necessary for the remainder of the 1996-97 school year. Allocations for the 1997-98 and 1998-99 school year shall be at a maximum annual rate of \$29.86 per full-time equivalent student as determined pursuant to subsection (3) of this section. Allocations shall be made on the monthly apportionment payment schedule provided in RCW 28A.510.250.

(3) Allocations provided under this section shall be based on school district annual average full-time equivalent enrollment in grades kindergarten through twelve: PROVIDED, That for school districts enrolling not more than one hundred average annual full-time equivalent students, and for small school plants within any school district designated as remote and necessary schools, the allocations shall be as follows:

(a) Enrollment of not more than 60 average annual full-time equivalent students in grades kindergarten through six shall generate funding based on sixty full-time equivalent students;

(b) Enrollment of not more than 20 average annual full-time equivalent students in grades seven and eight shall generate funding based on twenty full-time equivalent students; and

(c) Enrollment of not more than 60 average annual full-time equivalent students in grades nine through twelve shall generate funding based on sixty full-time equivalent students.

(4) Funding provided pursuant to this section does not fall within the definition of basic education for purposes of Article IX of the state Constitution and the state's funding duty thereunder.

(5) Receipt by a school district of one-fourth of the district's allocation of funds under this section, shall be conditioned on a finding by the superintendent that:

(a) The district is enrolled as a medicaid service provider and is actively pursuing federal matching funds for medical services provided through special education programs, pursuant to RCW 74.09.5241 through 74.09.5256 (Title XIX funding); and

(b) The district is filing truancy petitions as required under chapter 312, Laws of 1995 and RCW 28A.225.030.

*Sec. 517 was vetoed. See message at end of chapter.

(End of part)

PART VI
HIGHER EDUCATION

*NEW SECTION. Sec. 601. The appropriations in sections 603 through 609 of this act are subject to the following conditions and limitations:

(1) "Institutions" means the institutions of higher education receiving appropriations under sections 603 through 609 of this act.

(2)(a) The salary increases provided or referenced in this subsection shall be the allowable salary increases provided at institutions of higher education, excluding increases associated with normally occurring promotions and increases related to faculty and professional staff retention, and excluding increases associated with employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015.

(b) Each institution of higher education shall provide to each classified staff employee as defined by the office of financial management a salary increase of 3.0 percent on July 1, 1997. Each institution of higher education shall provide to instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants as classified by the office of financial management, and all other nonclassified staff, including those employees under RCW 28B.16.015, an average salary increase of 3.0 percent on July 1, 1997. For employees under the jurisdiction of chapter 41.56 RCW pursuant to the provisions of RCW 28B.16.015, distribution of the salary increases will be in accordance with the applicable collective bargaining agreement. However, an increase shall not be provided to any classified employee whose salary is above the approved salary range maximum for the class to which the employee's position is allocated. To collect consistent data for use by the legislature, the office of financial management, and other state agencies for policy and planning purposes, institutions of higher education shall report personnel data to be used in the department of personnel's human resource data warehouse in compliance with uniform reporting procedures established by the department of personnel.

(c) Each institution of higher education receiving appropriations under sections 604 through 609 of this act may provide to

instructional and research faculty, exempt professional staff, academic administrators, academic librarians, counselors, teaching and research assistants, as classified by the office of financial management, and all other nonclassified staff, but not including employees under RCW 28B.16.015, an additional average salary increase of 1.0 percent on July 1, 1997, and an average salary increase of 2.0 percent on July 1, 1998. Any salary increases authorized under this subsection (2)(c) shall not be included in an institution's salary base. It is the intent of the legislature that general fund--state support for an institution shall not increase during the current or any future biennium as a result of any salary increases authorized under this subsection (2)(c).

(d) Specific salary increases authorized in sections 603 through 609 of this act are in addition to any salary increase provided in this subsection.

(3)(a) Each institution receiving appropriations under sections 604 through 609 of this act shall submit plans for achieving measurable and specific improvements in academic years 1997-98 and 1998-99 to the higher education coordinating board. The plans, to be prepared at the direction of the board, shall be submitted by August 15, 1997 (for academic year 1997-98) and August 15, 1998 (for academic year 1998-99). The following measures and goals will be used for the 1997-99 biennium:

	Goal
(i) Undergraduate graduation efficiency index:	
For students beginning as freshmen	95
For transfer students	90
(ii) Undergraduate student retention, defined as the percentage of all undergraduate students who return for the next year at the same institution, measured from fall to fall:	
Research universities	95%
Comprehensive universities and college	90%
(iii) Graduation rates, defined as the percentage of an entering freshmen class at each institution that graduates within five years:	
Research universities	65%
Comprehensive universities and college	55%

(iv) A measure of faculty productivity, with goals and targets in accord with the legislative intent to achieve measurable and specific improvements, to be determined by the higher education coordinating board, in consultation with the institutions receiving appropriations under sections 604 through 609 of this act.

(v) An additional measure and goal to be selected by the higher education coordinating board for each institution, in consultation with each institution.

(b) Academic year 1995-96 shall be the baseline year against which performance in academic year 1997-98 shall be measured. Academic year 1997-98 shall be the baseline year against which performance in academic year 1998-99 shall be measured. The difference between each institution's baseline year and the state-wide performance goals shall be calculated and shall be the performance gap for each institution for each measure for each year. The plan for each institution shall set as a performance target the closing of its performance gap for each measure by ten percent in each year. Each institution shall report to the higher education coordinating board on its actual performance achievement for each measure for academic year 1997-98 by October 15, 1998.

(4) The state board for community and technical colleges shall develop an implementation plan for measurable and specific improvements in productivity, efficiency, and student retention in academic years 1997-98 and 1998-99 consistent with the performance management system developed by the work force training and education coordinating board and for the following long-term performance goals:

	Goal
(a) Hourly wages for vocational graduates	\$12/hour
(b) Academic students transferring to Washington higher education institutions	67%
(c) Core course completion rates	85%
(d) Graduation efficiency index	95

(5) The state's public institutions of higher education increasingly are being called upon to become more efficient in conducting the business operations necessary to support the carrying out of their academic missions. The legislature recognizes that state

laws and regulations may have the unintended effect of acting as barriers to efficient operation in some instances, and desires to encourage the institutions of higher education to think beyond the constraints of current law in identifying opportunities for improved efficiency. Accordingly, the legislature requests that the institutions of higher education, working together through the council of presidents' office and the state board for community and technical colleges, identify opportunities for changes in state law that would form the basis for a new efficiency compact with the state, for consideration no later than the 1999 legislative session.

*Sec. 601 was vetoed. See message at end of chapter.

*NEW SECTION. Sec. 602. (1) The appropriations in sections 603 through 609 of this act provide state general fund support or employment and training trust account support for full-time equivalent student enrollments at each institution of higher education. Listed below are the annual full-time equivalent student enrollments by institution assumed in this act.

	1997-98	1998-99
	Annual	Annual
	Average	Average
<i>University of Washington</i>		
<i>Main campus</i>	31,297	31,527
<i>Tacoma branch</i>	775	895
<i>Bothell branch</i>	847	992
<i>Washington State University</i>		
<i>Main campus</i>	17,403	17,723
<i>Spokane branch</i>	352	442
<i>Tri-Cities branch</i>	754	814
<i>Vancouver branch</i>	851	971
<i>Central Washington University</i>	7,346	7,446
<i>Eastern Washington University</i>	7,739	7,739
<i>The Evergreen State College</i>	3,496	3,576
<i>Western Washington University</i>	10,188	10,338

State Board for Community and Technical Colleges	116,426	118,526
Higher Education Coordinating Board	50	50

(2) The legislature intends to reduce general fund--state support for student enrollments by average instructional funding as calculated by the higher education coordinating board for enrollments below the budgeted levels in subsection (1) of this section, except that, for campuses with less than 1,500 budgeted full-time equivalent (FTE) student enrollments, enrollment targets shall be set at 95 percent of the budgeted enrollment level, and except that underenrollment at Eastern Washington University shall be administered in accordance with section 606(5) of this act.

*Sec. 602 was vetoed. See message at end of chapter.

*NEW SECTION. Sec. 603. FOR THE STATE BOARD FOR COMMUNITY AND TECHNICAL COLLEGES

General Fund--State Appropriation (FY 1998).....	\$ 380,591,000	
General Fund--State Appropriation (FY 1999).....	\$ 418,661,000	
General		Fund--Federal
Appropriation.....	\$.....	
..... 11,404,000		
Employment and Training Trust Account		
Appropriation.....	\$ 26,346,000	
TOTAL APPROPRIATION.....	\$ 837,002,000	

The appropriations in this section are subject to the following conditions and limitations:

(1) \$2,718,000 of the general fund--state appropriation for fiscal year 1998 and \$4,079,000 of the general fund--state appropriation for fiscal year 1999 shall be held in reserve by the board. These funds are provided for improvements in productivity, efficiency, and student retention. The board may approve the fiscal year 1998 allocation of funds under this subsection upon completion of an implementation plan. The implementation plan shall be submitted by the board to the appropriate legislative committees and the office of financial management in accordance with section 601(4) of this act by September 1, 1997. The board may approve the fiscal year 1999 allocation of funds under this subsection based on the board's evaluation of:

(a) College performance compared to the goals for productivity, efficiency, and student retention as submitted in the plan required in section 601(4) of this act; and

(b) The quality and effectiveness of the strategies the colleges propose to achieve continued improvement in quality and efficiency during the 1998-99 academic year.

(2) \$1,253,000 of the general fund--state appropriation for fiscal year 1998, \$27,461,000 of the general fund--state appropriation for fiscal year 1999, and the entire employment and training trust account appropriation are provided solely as special funds for training and related support services, including financial aid, child care, and transportation, as specified in chapter 226, Laws of 1993 (employment and training for unemployed workers) and Substitute House Bill No. 2214.

(a) Funding is provided to support up to 7,200 full-time equivalent students in each fiscal year.

(b) The state board for community and technical colleges shall submit a plan for the allocation of the full-time equivalent students provided in this subsection to the workforce training and education coordinating board for review and approval.

(3) \$1,441,000 of the general fund--state appropriation for fiscal year 1998 and \$1,441,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for 500 FTE enrollment slots to implement RCW 28B.50.259 (timber-dependent communities).

(4) \$1,862,500 of the general fund--state appropriation for fiscal year 1998 and \$1,862,500 of the general fund--state appropriation for fiscal year 1999 are provided solely for assessment of student outcomes at community and technical colleges.

(5) \$706,000 of the general fund--state appropriation for fiscal year 1998 and \$706,000 of general fund--state appropriation for fiscal year 1999 are provided solely to recruit and retain minority students and faculty.

(6) Up to \$1,035,000 of the general fund--state appropriation for fiscal year 1998 and up to \$2,102,000 of the general fund--state appropriation for fiscal year 1999 may be used in combination with salary and benefit savings from faculty turnover to provide faculty salary increments and associated benefits. To the extent general salary increase funding is used to pay faculty increments, the general salary increase shall be reduced by the same amount.

(7) To address part-time faculty salary disparities and to increase the ratio of full-time to part-time faculty instructors, the board shall provide salary increases to part-time instructors or hire additional full-time instructional staff under the following conditions and limitations: (a) The amount used for such purposes shall not exceed an amount equivalent to an additional salary increase of 1.0 percent on July 1, 1997, and an additional salary increase of 2.0 percent on July 1, 1998, for instructional faculty as classified by the office of financial management; and (b) at least \$2,934,000 shall be spent for the purposes of this subsection.

(8) \$83,000 of the general fund--state appropriation for fiscal year 1998 and \$1,567,000 of the general fund--state appropriation for fiscal year 1999 are provided for personnel and expenses to develop curricula, library resources, and operations of Cascadia Community College. It is the legislature's intent to use the opportunity provided by the establishment of the new institution to conduct a pilot project of budgeting based on instructional standards and outcomes. The college shall use a portion of the available funds to develop a set of measurable standards and outcomes as the basis for budget development in the 1999-01 biennium.

(9) The technical colleges may increase tuition and fees to conform with the percentage increase in community college operating fees enacted by the 1997 legislature. The community colleges may charge up to the maximum level authorized for services and activities fees in RCW 28B.15.069.

(10) Community and technical colleges with below-average faculty salaries may use funds identified by the state board in the 1997-98 and 1998-99 operating allocations to increase faculty salaries no higher than the system-wide average.

*Sec. 603 was vetoed. See message at end of chapter.

*NEW SECTION. Sec. 604. FOR UNIVERSITY OF WASHINGTON

General Fund Appropriation (FY 1998).....	\$ 283,923,000
General Fund Appropriation (FY 1999).....	\$ 289,807,000
Death Investigations Account Appropriation.....	\$ 1,810,000
Industrial Insurance Premium Refund Account	
Appropriation.....	\$ 514,000
Accident	Account
Appropriation.....	\$.....
..... 4,969,000	

Medical Aid Account Appropriation..... \$ 4,989,000
TOTAL APPROPRIATION..... \$ 586,012,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$2,019,000 of the general fund appropriation for fiscal year 1998 and \$3,029,000 of the general fund appropriation for fiscal year 1999 shall be placed in reserve. The office of financial management shall approve the allotment of amounts under this subsection upon notification by the higher education coordinating board. These amounts are provided for the preparation of plans and for the achievement of measurable and specific improvements towards performance and accountability goals as outlined in section 601(3) of this act.

(2) \$800,000 of the general fund appropriation for fiscal year 1998 and \$1,896,000 of the general fund appropriation for fiscal year 1999 are provided solely to support additional upper-division and graduate level enrollments at the Tacoma branch campus above the 1996-97 budgeted FTE level.

(3) \$593,000 of the general fund appropriation for fiscal year 1998 and \$1,547,000 of the general fund appropriation for fiscal year 1999 are provided solely to support additional upper-division and graduate level enrollments at the Bothell branch campus above the 1996-97 budgeted FTE level.

(4) \$186,000 of the general fund appropriation for fiscal year 1998 and \$186,000 of the general fund appropriation for fiscal year 1999 are provided solely for assessment of student outcomes.

(5) \$324,000 of the general fund appropriation for fiscal year 1998 and \$324,000 of the general fund appropriation for fiscal year 1999 are provided solely to recruit and retain minority students and faculty.

(6) \$130,000 of the general fund appropriation for fiscal year 1998 and \$130,000 of the general fund appropriation for fiscal year 1999 are provided solely for the implementation of the Puget Sound work plan agency action item UW-01.

(7) \$1,200,000 of the general fund appropriation for fiscal year 1998 and \$1,200,000 of the general fund appropriation for fiscal year 1999 are provided solely for competitively offered faculty recruitment and retention salary adjustments. The university shall provide a report in their 1999-01 biennial operating budget request submittal on

the effective expenditure of funds for the purposes of this subsection.

(8) \$47,000 of the fiscal year 1998 general fund appropriation and \$47,000 of the fiscal year 1999 general fund appropriation are provided solely to employ a fossil preparator/educator in the Burke Museum. The entire amounts provided in this subsection shall be provided directly to the Burke Museum.

(9) \$75,000 of the general fund appropriation for fiscal year 1998 and \$75,000 of the general fund appropriation for fiscal year 1999 are provided solely for enhancements to research capabilities at the Olympic natural resources center.

*Sec. 604 was vetoed. See message at end of chapter.

*NEW SECTION. Sec. 605. FOR WASHINGTON STATE UNIVERSITY

General Fund Appropriation (FY 1998).....	\$ 166,644,000
General Fund Appropriation (FY 1999).....	\$ 172,819,000
Air Pollution Control Account Appropriation.....	\$ 206,000
TOTAL APPROPRIATION.....	\$ 339,669,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$1,204,000 of the general fund appropriation for fiscal year 1998 and \$1,807,000 of the general fund appropriation for fiscal year 1999 shall be placed in reserve. The office of financial management shall approve the allotment of amounts under this subsection upon notification by the higher education coordinating board. These amounts are provided for the preparation of plans and for the achievement of measurable and specific improvements towards performance and accountability goals as outlined in section 601(3) of this act.

(2) \$1,059,000 of the general fund appropriation for fiscal year 1999 is provided solely to support additional upper-division and graduate level enrollments at the Vancouver branch campus above the 1996-97 budgeted FTE level.

(3) \$263,000 of the general fund appropriation for fiscal year 1998 and \$789,000 of the general fund appropriation for fiscal year 1999 are provided solely to support additional upper-division and graduate level enrollments at the Tri-Cities branch campus above the 1996-97 budgeted FTE level.

(4) \$971,000 of the general fund appropriation for fiscal year 1999 is provided solely to support additional upper-division and graduate level enrollments at the Spokane branch campus above the 1996-97 budgeted FTE level.

(5) \$186,000 of the general fund appropriation for fiscal year 1998 and \$186,000 of the general fund appropriation for fiscal year 1999 are provided solely for assessment of student outcomes.

(6) \$140,000 of the general fund appropriation for fiscal year 1998 and \$140,000 of the general fund appropriation for fiscal year 1999 are provided solely to recruit and retain minority students and faculty.

(7) \$157,000 of the general fund appropriation for fiscal year 1998 and \$157,000 of the general fund appropriation for fiscal year 1999 are provided solely for the implementation of the Puget Sound work plan agency action item WSU-01.

(8) \$600,000 of the general fund appropriation for fiscal year 1998 and \$600,000 of the general fund appropriation for fiscal year 1999 are provided solely for competitively offered faculty recruitment and retention salary adjustments. The university shall provide a report in their 1999-01 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this subsection.

(9) \$50,000 of the general fund appropriation for fiscal year 1998 and \$50,000 of the general fund appropriation for fiscal year 1999 are provided solely for yellow star thistle research.

(10) \$55,000 of the general fund appropriation for fiscal year 1998 and \$55,000 of the general fund appropriation for fiscal year 1999 are provided solely for the Goldendale distance learning center.

*Sec. 605 was vetoed. See message at end of chapter.

*NEW SECTION. Sec. 606. FOR EASTERN WASHINGTON UNIVERSITY

General Fund Appropriation (FY 1998).....	\$ 39,211,000
General Fund Appropriation (FY 1999).....	\$ 39,489,000
TOTAL APPROPRIATION.....	\$ 78,700,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$285,000 of the general fund appropriation for fiscal year 1998 and \$428,000 of the general fund appropriation for fiscal year 1999 shall be placed in reserve. The office of financial management

shall approve the allotment of amounts under this subsection upon notification by the higher education coordinating board. These amounts are provided for the preparation of plans and for the achievement of measurable and specific improvements towards performance and accountability goals as outlined in section 601(3) of this act.

(2) \$186,000 of the general fund appropriation for fiscal year 1998 and \$186,000 of the general fund appropriation for fiscal year 1999 are provided solely for assessment of student outcomes.

(3) \$93,000 of the general fund appropriation for fiscal year 1998 and \$93,000 of the general fund appropriation for fiscal year 1999 are provided solely to recruit and retain minority students and faculty.

(4) \$53,000 of the general fund--state appropriation for fiscal year 1998 and \$54,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for competitively offered faculty recruitment and retention salary adjustments. The university shall provide a report in their 1999-01 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this subsection.

(5) \$3,188,000 of the general fund appropriation for fiscal year 1998 and \$3,188,000 of the general fund appropriation for fiscal year 1999 shall be placed in reserve pending attainment of budgeted enrollments of 6,942 FTEs. The office of financial management shall approve the allotment of funds under this subsection at the annual rate of \$4,000 for annual student FTEs in excess of 6,942 based on tenth day quarterly enrollment and the office of financial management's quarterly budget driver report. In addition, allotments of reserve funds in this section shall be approved by the office of financial management upon approval by the higher education coordinating board for (a) actions that will result in additional enrollment growth, and (b) contractual obligations in fiscal year 1998 to the extent such funds are required.

*Sec. 606 was vetoed. See message at end of chapter.

*NEW SECTION. Sec. 607. FOR CENTRAL WASHINGTON UNIVERSITY

General Fund Appropriation (FY 1998).....	\$ 37,214,000
General Fund Appropriation (FY 1999).....	\$ 38,616,000
TOTAL APPROPRIATION.....	\$ 75,830,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$269,000 of the general fund appropriation for fiscal year 1998 and \$403,000 of the general fund appropriation for fiscal year 1999 shall be placed in reserve. The office of financial management shall approve the allotment of amounts under this subsection upon notification by the higher education coordinating board. These amounts are provided for the preparation of plans and for the achievement of measurable and specific improvements towards performance and accountability goals as outlined in section 601(3) of this act.

(2) \$186,000 of the general fund appropriation for fiscal year 1998 and \$186,000 of the general fund appropriation for fiscal year 1999 are provided solely for assessment of student outcomes.

(3) \$70,000 of the general fund appropriation for fiscal year 1998 and \$70,000 of the general fund appropriation for fiscal year 1999 are provided solely to recruit and retain minority students and faculty.

(4) \$51,000 of the general fund appropriation for fiscal year 1998 and \$51,000 of the general fund appropriation for fiscal year 1999 are provided solely for competitively offered faculty recruitment and retention salary adjustments. The college shall provide a report in their 1999-01 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this subsection.

*Sec. 607 was vetoed. See message at end of chapter.

*NEW SECTION. Sec. 608. FOR THE EVERGREEN STATE COLLEGE

General Fund Appropriation (FY 1998).....	\$ 20,151,000
General Fund Appropriation (FY 1999).....	\$ 20,518,000
TOTAL APPROPRIATION.....	\$ 40,669,000

The appropriations in this section is subject to the following conditions and limitations:

(1) \$144,000 of the general fund appropriation for fiscal year 1998 and \$217,000 of the general fund appropriation for fiscal year 1999 shall be placed in reserve. The office of financial management shall approve the allotment of amounts under this subsection upon notification by the higher education coordinating board. These amounts are provided for the preparation of plans and for the achievement of measurable and specific improvements towards

performance and accountability goals as outlined in section 601(3) of this act.

(2) \$186,000 of the general fund appropriation for fiscal year 1998 and \$186,000 of the general fund appropriation for fiscal year 1999 are provided solely for assessment of student outcomes.

(3) \$47,000 of the general fund appropriation for fiscal year 1998 and \$47,000 of the general fund appropriation for fiscal year 1999 are provided solely to recruit and retain minority students and faculty.

(4) \$29,000 of the general fund appropriation for fiscal year 1998 and \$29,000 of the general fund appropriation for fiscal year 1999 are provided solely for competitively offered faculty recruitment and retention salary adjustments. The college shall provide a report in their 1999-01 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this subsection.

*Sec. 608 was vetoed. See message at end of chapter.

*NEW SECTION. Sec. 609. FOR WESTERN WASHINGTON UNIVERSITY

General Fund Appropriation (FY 1998).....	\$ 47,822,000
General Fund Appropriation (FY 1999).....	\$ 48,855,000
TOTAL APPROPRIATION.....	\$ 96,677,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$342,000 of the general fund appropriation for fiscal year 1998 and \$514,000 of the general fund appropriation for fiscal year 1999 shall be placed in reserve. The office of financial management shall approve the allotment of amounts under this subsection upon notification by the higher education coordinating board. These amounts are provided for the preparation of plans and for the achievement of measurable and specific improvements towards performance and accountability goals as outlined in section 601(3) of this act.

(2) \$186,000 of the general fund appropriation for fiscal year 1998 and \$186,000 of the general fund appropriation for fiscal year 1999 are provided solely for assessment of student outcomes.

(3) \$93,000 of the general fund appropriation for fiscal year 1998 and \$93,000 of the general fund appropriation for fiscal year 1999 are provided solely to recruit and retain minority students and faculty.

(4) \$66,000 of the general fund appropriation for fiscal year 1998 and \$67,000 of the general fund appropriation for fiscal year 1999 are

provided solely for competitively offered faculty recruitment and retention salary adjustments. The university shall provide a report in their 1999-01 biennial operating budget request submittal on the effective expenditure of funds for the purposes of this subsection.

*Sec. 609 was vetoed. See message at end of chapter.

*NEW SECTION. **Sec. 610. FOR THE HIGHER EDUCATION COORDINATING BOARD--POLICY COORDINATION AND ADMINISTRATION**

General Fund--State Appropriation (FY 1998).....	\$	2,734,000
General Fund--State Appropriation (FY 1999).....	\$	2,615,000
General Fund--Federal Appropriation.....		\$
693,000		
TOTAL APPROPRIATION.....	\$	6,042,000

The appropriations in this section are provided to carry out the accountability, performance measurement, policy coordination, planning, studies and administrative functions of the board and are subject to the following conditions and limitations:

(1) *The board shall review, recommend changes if necessary, and approve plans defined in section 601(3)(a) of this act for achieving measurable and specific improvements in academic years 1997-98 and 1998-99. The plans shall be reported to the office of financial management and the appropriate legislative committees by October of each year. By October 1, 1997, the board shall notify the office of financial management to allot institutions' fiscal year 1998 performance funds held in reserve, based upon the adequacy of plans prepared by the institutions.*

(2) *The board shall develop criteria to assess institutions' performance and shall use those criteria in determining the allotment of performance and accountability funds. The board shall evaluate each institution's achievement of performance targets for the 1997-98 academic year and, by December 1, 1998, the board shall notify the office of financial management to allot institutions' fiscal year 1999 performance funds held in reserve, based upon each institution's performance.*

(3) *By January, 1999, the board shall recommend to the office of financial management and appropriate legislative committees any recommended additions, deletions, or revisions to the performance and accountability measures in sections 601(3) of this act as part of the next master plan for higher education. The recommendations shall be*

developed in consultation with the institutions of higher education and may include additional performance indicators to measure successful student learning and other student outcomes for possible inclusion in the 1999-01 operating budget.

(4) \$280,000 of the general fund--state appropriation for fiscal year 1998 and \$280,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for enrollment to implement RCW 28B.80.570 through 28B.80.585 (rural natural resources impact areas). The number of students served shall be 50 full-time equivalent students per fiscal year. The board shall ensure that enrollments reported under this subsection meet the criteria outlined in RCW 28B.80.570 through 28B.80.585.

(5) \$70,000 of the general fund--state appropriation for fiscal year 1998 and \$70,000 of the general fund--state appropriation for fiscal year 1999 are provided to develop a competency based admissions system for higher education institutions. The board shall complete the competency based admissions system and issue a report outlining the competency based admissions system by January 1999.

(6) \$500,000 of the general fund--state appropriation for fiscal year 1998 and \$500,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for activities related to higher education facilities planning, project monitoring, and access issues related to capital facilities. Of this amount, \$50,000 is provided for a study of higher education needs of Okanogan county and surrounding communities with consideration given to alternative approaches to educational service delivery, facility expansion, relocation or partnership, and long-term growth and future educational demands of the region.

(7) \$150,000 of the general fund--state appropriation for fiscal year 1998 is provided solely as one-time funding for computer upgrades.

***Sec. 610 was partially vetoed. See message at end of chapter.**

***NEW SECTION. Sec. 611. FOR THE HIGHER EDUCATION COORDINATING BOARD--FINANCIAL AID AND GRANT PROGRAMS**

General Fund--State Appropriation (FY 1998)	\$ 86,369,000
General Fund--State Appropriation (FY 1999)	\$ 93,209,000
General	Fund--Federal
Appropriation	\$.....
..... 8,255,000	

TOTAL APPROPRIATION..... \$ 187,833,000

The appropriations in this section are subject to the following conditions and limitations:

(1) \$527,000 of the general fund--state appropriation for fiscal year 1998 and \$526,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the displaced homemakers program.

(2) \$216,000 of the general fund--state appropriation for fiscal year 1998 and \$220,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the western interstate commission for higher education.

(3) \$118,000 of the general fund--state appropriation for fiscal year 1998 and \$118,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the health personnel resources plan.

(4) \$1,000,000 of the general fund--state appropriation for fiscal year 1998 and \$1,000,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the scholarships and loans program under chapter 28B.115 RCW, the health professional conditional scholarship program. This amount shall be deposited to the health professional loan repayment and scholarship trust fund to carry out the purposes of the program.

(5) \$83,783,000 of the general fund--state appropriation for fiscal year 1998 and \$90,728,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for student financial aid, including all administrative costs. The amounts in (a), (b), and (c) of this subsection are sufficient to implement Second Substitute House Bill No. 1851 (higher education financial aid). Of these amounts:

(a) \$64,262,000 of the general fund--state appropriation for fiscal year 1998 and \$70,964,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the state need grant program.

(i) Unless an alternative method for distribution of the state need grant is enacted which distributes grants based on tuition costs, for the purposes of determination of eligibility for state need grants for the 1998-99 academic year, the higher education coordinating board shall establish family income equivalencies for independent students having financial responsibility for children and independent students

with no financial responsibility for children, respectively, based on the United States bureau of labor statistics' low budget standard for persons in the 20-35 year age group, in accordance with the recommendations of the 1996 student financial aid policy advisory committee.

(ii) After April 1 of each fiscal year, up to one percent of the annual appropriation for the state need grant program may be transferred to the state work study program.

(b) \$15,350,000 of the general fund--state appropriation for fiscal year 1998 and \$15,350,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the state work study program. After April 1 of each fiscal year, up to one percent of the annual appropriation for the state work study program may be transferred to the state need grant program;

(c) \$2,422,000 of the general fund--state appropriation for fiscal year 1998 and \$2,422,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for educational opportunity grants. For the purpose of establishing eligibility for the equal opportunity grant program for placebound students under RCW 28B.101.020, Thurston county lies within the branch campus service area of the Tacoma branch campus of the University of Washington;

(d) A maximum of 2.1 percent of the general fund--state appropriation for fiscal year 1998 and 2.1 percent of the general fund--state appropriation for fiscal year 1999 may be expended for financial aid administration, excluding the four percent state work study program administrative allowance provision;

(e) \$230,000 of the general fund--state appropriation for fiscal year 1998 and \$201,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for the educator's excellence awards. Any educator's excellence moneys not awarded by April 1st of each year may be transferred by the board to either the Washington scholars program or, in consultation with the workforce training and education coordinating board, to the Washington award for vocational excellence;

(f) \$1,012,000 of the general fund--state appropriation for fiscal year 1998 and \$1,266,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to implement the Washington scholars program. Any Washington scholars program moneys not awarded by April 1st of each year may be transferred by the board to either the educator's excellence awards or, in consultation with the

workforce training and education coordinating board, to the Washington award for vocational excellence;

(g) \$456,000 of the general fund--state appropriation for fiscal year 1998 and \$474,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to implement Washington award for vocational excellence program. Any Washington award for vocational program moneys not awarded by April 1st of each year may be transferred by the board to either the educator's excellence awards or the Washington scholars program;

(h) \$51,000 of the general fund--state appropriation for fiscal year 1998 and \$51,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for community scholarship matching grants of \$2,000 each. To be eligible for the matching grant, a nonprofit community organization organized under section 501(c)(3) of the internal revenue code must demonstrate that it has raised \$2,000 in new moneys for college scholarships after the effective date of this act. No organization may receive more than one \$2,000 matching grant; and

(6) \$175,000 of the general fund--state appropriation for fiscal year 1998 and \$175,000 of the general fund--state appropriation for fiscal year 1999 are provided solely to implement Engrossed Second Substitute House Bill No. 1372 or Second Substitute Senate Bill No. 5106 (Washington advanced college tuition payment program). If neither Engrossed Second Substitute House Bill No. 1372 nor Second Substitute Senate Bill No. 5106 is enacted by June 30, 1997, the amounts provided in this subsection shall lapse.

(7) \$187,000 of the general fund--state appropriation for fiscal year 1998 and \$188,000 of the general fund--state appropriation for fiscal year 1999 are provided solely for a demonstration project in the 1997-99 biennium to provide undergraduate fellowships based upon the graduate fellowship program.

(8) Funding is provided in this section for the development of three models for tuition charges for distance learning programs. Institutions involved in distance education or extended learning shall provide information to the board on the usage, cost, and revenue generated by such programs.

*Sec. 611 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 612. FOR THE JOINT CENTER FOR HIGHER EDUCATION
General Fund Appropriation (FY 1998)..... \$ 1,469,000

General Fund Appropriation (FY 1999)..... \$ 1,470,000
 TOTAL APPROPRIATION..... \$ 2,939,000

NEW SECTION. **Sec. 613. FOR THE WORK FORCE TRAINING AND EDUCATION
 COORDINATING BOARD**

General Fund--State Appropriation (FY 1998)..... \$ 1,636,000
 General Fund--State Appropriation (FY 1999)..... \$ 1,642,000
 General Fund--Federal
 Appropriation..... \$.....
 34,378,000
 TOTAL APPROPRIATION..... \$ 37,656,000

NEW SECTION. **Sec. 614. FOR WASHINGTON STATE LIBRARY**

General Fund--State Appropriation (FY 1998)..... \$ 7,483,000
 General Fund--State Appropriation (FY 1999)..... \$ 7,281,000
 General Fund--Federal
 Appropriation..... \$.....
 4,847,000
 TOTAL APPROPRIATION..... \$ 19,611,000

The appropriations in this section are subject to the following conditions and limitations:

(1) At least \$2,524,000 shall be expended for a contract with the Seattle public library for library services for the Washington book and braille library.

(2) \$198,000 of the general fund--state appropriation for fiscal year 1998 is provided solely for the state library to continue the government information locator service in accordance with chapter 171, Laws of 1996. The state library, in consultation with interested parties, shall prepare an evaluation of the government information locator service by October 1, 1997. The evaluation shall include a cost-benefit analysis, a determination of fiscal impacts to the state, and programmatic information. The evaluation report shall be provided to the appropriate legislative fiscal committees.

NEW SECTION. **Sec. 615. FOR THE WASHINGTON STATE ARTS COMMISSION**

General Fund--State Appropriation (FY 1998)..... \$ 2,015,000
 General Fund--State Appropriation (FY 1999)..... \$ 2,013,000
 General Fund--Federal Appropriation..... \$
 690,000

TOTAL APPROPRIATION..... \$ 4,718,000

NEW SECTION. **Sec. 616. FOR THE WASHINGTON STATE HISTORICAL SOCIETY**

General Fund Appropriation (FY 1998)..... \$ 2,502,000
General Fund Appropriation (FY 1999)..... \$ 2,531,000
TOTAL APPROPRIATION..... \$ 5,033,000

The appropriations in this section are subject to the following conditions and limitations: \$216,200 of the general fund appropriation for fiscal year 1998 and \$216,200 of the general fund appropriation for fiscal year 1999 are provided solely for exhibit and educational programming.

NEW SECTION. **Sec. 617. FOR THE EASTERN WASHINGTON STATE HISTORICAL SOCIETY**

General Fund Appropriation (FY 1998)..... \$ 741,000
General Fund Appropriation (FY 1999)..... \$ 1,022,000
TOTAL APPROPRIATION..... \$ 1,763,000

The appropriations in this section are subject to the following conditions and limitations: \$275,000 of the general fund appropriation for fiscal year 1999 is provided solely for exhibit design and planning.

NEW SECTION. **Sec. 618. FOR THE STATE SCHOOL FOR THE BLIND**

General Fund--State Appropriation (FY 1998)..... \$ 3,714,000
General Fund--State Appropriation (FY 1999)..... \$ 3,738,000
General Fund--Private/Local Appropriation..... \$ 192,000
TOTAL APPROPRIATION..... \$ 7,644,000

NEW SECTION. **Sec. 619. FOR THE STATE SCHOOL FOR THE DEAF**

General Fund Appropriation (FY 1998)..... \$ 6,458,000
General Fund Appropriation (FY 1999)..... \$ 6,459,000
TOTAL APPROPRIATION..... \$ 12,917,000

(End of part)

PART VII
SPECIAL APPROPRIATIONS

NEW SECTION. Sec. 701. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL FUND BOND DEBT

General Fund Appropriation (FY 1998).....	\$ 447,283,000
General Fund Appropriation (FY 1999).....	\$ 485,077,000
General Fund Bonds Subject to the Limit Bond Retirement Account Appropriation.....	\$ 932,360,000
TOTAL APPROPRIATION.....	\$ \$1,864,720,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for deposit into the general fund bonds subject to the limit bond retirement account.

NEW SECTION. Sec. 702. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED BY ENTERPRISE ACTIVITIES

State Convention & Trade Center Account

Appropriation.....	\$ 34,081,000
Accident Account	
Appropriation.....	\$.....
..... 5,108,000	
Medical Aid Account Appropriation.....	\$ 5,108,000
TOTAL APPROPRIATION.....	\$ 44,297,000

NEW SECTION. Sec. 703. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR GENERAL OBLIGATION DEBT TO BE REIMBURSED AS PRESCRIBED BY STATUTE

General Fund Appropriation (FY 1998).....	\$ 23,096,000
General Fund Appropriation (FY 1999).....	\$ 25,603,000
General Fund Bonds Excluded from the Limit Bond Retirement Account Appropriation.....	\$ 48,699,000
Reimbursable Bonds Excluded from the Limit Bond Retirement Account Appropriation.....	\$ 104,933,000
Reimbursable Bonds Subject to the Limit Bond	

Retirement Account Appropriation.....	\$	402,000
TOTAL APPROPRIATION.....	\$	202,733,000

The appropriations in this section are subject to the following conditions and limitations: The general fund appropriation is for deposit into the general fund bonds excluded from the limit bond retirement account.

NEW SECTION. Sec. 704. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR DEBT TO BE PAID BY STATUTORILY PRESCRIBED REVENUE

Revenue Bonds Excluded from the Limit Bond

Retirement Account Appropriation.....	\$	2,451,000
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NEW SECTION. Sec. 705. FOR THE STATE TREASURER--BOND RETIREMENT AND INTEREST, AND ONGOING BOND REGISTRATION AND TRANSFER CHARGES: FOR BOND SALE EXPENSES

General Fund Appropriation (FY 1998).....	\$	475,000
General Fund Appropriation (FY 1999).....	\$	475,000
Higher Education Construction Account Appropriation.	\$	215,000
State Building Construction Account		
Appropriation....	\$	.....
.....		6,374,000
Public Safety Reimbursable Bond Account Appropriation	\$	8,000
TOTAL APPROPRIATION.....	\$	7,547,000

Total Bond Retirement and Interest Appropriations contained in sections 701 through 705 of this act..... \$ 2,121,748,000

NEW SECTION. Sec. 706. FOR THE GOVERNOR--FOR TRANSFER TO THE TORT CLAIMS REVOLVING FUND

General Fund Appropriation (FY 1998).....	\$	1,250,000
General Fund Appropriation (FY 1999).....	\$	1,250,000
TOTAL APPROPRIATION.....	\$	2,500,000

NEW SECTION. Sec. 707. FOR THE GOVERNOR--AMERICANS WITH DISABILITIES ACT

Americans with Disabilities Special Revolving Fund

Appropriation.....	\$	426,000
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The appropriation in this section is subject to the following conditions and limitations:

(1) The appropriation shall be used solely to fund requests from state agencies complying with the program requirements of the federal Americans with disabilities act. This appropriation will be administered by the office of financial management and will be apportioned to agencies meeting distribution criteria.

(2) To facilitate payment from special funds dedicated to agency programs receiving allocations under this section, the state treasurer is directed to transfer sufficient moneys from the special funds to the Americans with disabilities special revolving fund, hereby created in the state treasury, in accordance with schedules provided by the office of financial management.

NEW SECTION. Sec. 708. FOR THE GOVERNOR--TORT DEFENSE SERVICES

General Fund Appropriation (FY 1998).....	\$	1,257,000
General Fund Appropriation (FY 1999).....	\$	1,257,000
Special Fund Agency Tort Defense Services		
Revolving Fund Appropriation.....	\$	2,513,000
TOTAL APPROPRIATION.....	\$	5,027,000

The appropriations in this section are subject to the following conditions and limitations: To facilitate payment of tort defense services from special funds, the state treasurer is directed to transfer sufficient moneys from each special fund to the special fund agency tort defense services revolving fund, in accordance with schedules provided by the office of financial management. The governor shall distribute the moneys appropriated in this section to agencies to pay for tort defense services.

**NEW SECTION. Sec. 709. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
EMERGENCY FUND**

General Fund Appropriation (FY 1998).....	\$	500,000
General Fund Appropriation (FY 1999).....	\$	500,000
TOTAL APPROPRIATION.....	\$	1,000,000

The appropriation in this section is for the governor's emergency fund for the critically necessary work of any agency.

NEW SECTION. **Sec. 710. FOR THE OFFICE OF FINANCIAL MANAGEMENT--**

YEAR 2000 ALLOCATIONS

General Fund--State Appropriation (FY 1998).....	\$	3,380,000	
General Fund--State Appropriation (FY 1999).....	\$	1,960,000	
General			Fund--Federal
Appropriation.....	\$.....		
.....		2,883,000	
Liquor Revolving Account Appropriation.....	\$	131,000	
Health Care Authority Administrative Account			
Appropriation.....	\$	631,000	
Accident			Account
Appropriation.....			Appropriation.....
....	\$.....	1,102,000	
Medical Aid Account Appropriation.....	\$	1,102,000	
Unemployment Compensation Administration Account--			
Federal Appropriation.....	\$	1,313,000	
Administrative Contingency Account Appropriation....	\$	948,000	
Employment Services Administrative Account			
Appropriation.....	\$	500,000	
Forest Development Account Appropriation.....			\$
156,000			
Off Road Vehicle Account Appropriation.....	\$	7,000	
Surveys and Maps Account Appropriation.....	\$	1,000	
Aquatic Lands Enhancement Account Appropriation.....	\$	8,000	
Resource Management Cost Account Appropriation.....	\$	348,000	
TOTAL APPROPRIATION.....	\$	14,470,000	

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriations will be allocated by the office of financial management to agencies to complete Year 2000 date conversion maintenance on their computer systems. Agencies shall submit their estimated costs of conversion to the office of financial management by July 1, 1997.

(2) Up to \$10,000,000 of the cash balance of the data processing revolving account may be expended on agency Year 2000 date conversion costs. The \$10,000,000 will be taken from the cash balances of the data processing revolving account's two major users, as follows: \$7,000,000 from the department of information services and \$3,000,000 from the office of financial management. The office of financial management in consultation with the department of

information services shall allocate these funds as needed to complete the date conversion projects.

(3) Agencies receiving these allocations shall report at a minimum to the information services board and to the governor every six months on the progress of Year 2000 maintenance efforts.

NEW SECTION. **Sec. 711. BELATED CLAIMS.** The agencies and institutions of the state may expend moneys appropriated in this act, upon approval of the office of financial management, for the payment of supplies and services furnished to the agency or institution in prior fiscal biennia.

NEW SECTION. **Sec. 712. FOR THE GOVERNOR--COMPENSATION--INSURANCE BENEFITS**

General Fund--State Appropriation (FY 1998).....	\$	823,000
General Fund--State Appropriation (FY 1999).....	\$	6,257,000
General		Fund--Federal
Appropriation.....	\$.....	.....
.....		2,431,000
General Fund--Private/Local Appropriation.....	\$	146,000
Salary and Insurance Increase Revolving Account		
Appropriation.....	\$	5,465,000
TOTAL APPROPRIATION....	\$	15,122,000

The appropriations in this section are subject to the following conditions and limitations:

(1)(a) The monthly contribution for insurance benefit premiums shall not exceed \$312.35 per eligible employee for fiscal year 1998, and \$331.31 for fiscal year 1999.

(b) The monthly contribution for the operating costs of the health care authority shall not exceed \$4.99 per eligible employee for fiscal year 1998, and \$4.44 for fiscal year 1999.

(c) Surplus moneys accruing to the public employees' and retirees' insurance account due to lower-than-projected insurance costs may not be reallocated by the health care authority to increase the actuarial value of public employee insurance plans. Such funds shall be held in reserve in the public employees' and retirees' insurance account and may not be expended without prior legislative authorization.

(d) In order to achieve the level of funding provided for health benefits, the public employees' benefits board may require employee

premium co-payments, increase point-of-service cost sharing, and/or implement managed competition.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, the state treasurer is directed to transfer sufficient moneys from each dedicated fund or account to the special fund salary and insurance contribution increase revolving fund in accordance with schedules provided by the office of financial management.

(3) The health care authority, subject to the approval of the public employees' benefits board, shall provide subsidies for health benefit premiums to eligible retired or disabled public employees and school district employees who are eligible for parts A and B of medicare, pursuant to RCW 41.05.085. From January 1, 1998, through December 31, 1998, the subsidy shall be \$41.26 per month. Starting January 1, 1999, the subsidy shall be \$43.16 per month.

(4) Technical colleges, school districts, and educational service districts shall remit to the health care authority for deposit in the public employees' and retirees' insurance account established in RCW 41.05.120:

(a) For each full-time employee, \$14.80 per month beginning September 1, 1997;

(b) For each part-time employee who, at the time of the remittance, is employed in an eligible position as defined in RCW 41.32.010 or 41.40.010 and is eligible for employer fringe benefit contributions for basic benefits, \$14.80 each month beginning September 1, 1997, prorated by the proportion of employer fringe benefit contributions for a full-time employee that the part-time employee receives.

The remittance requirements specified in this subsection shall not apply to employees of a technical college, school district, or educational service district who purchase insurance benefits through contracts with the health care authority.

(5) The salary and insurance increase revolving account appropriation includes amounts sufficient to fund health benefits for ferry workers at the premium levels specified in subsection (1) of this section, consistent with the 1997-99 transportation appropriations act.

The appropriations in this section are subject to the following conditions and limitations: The appropriations shall be made on a monthly basis consistent with chapter 41.45 RCW.

(1) There is appropriated for state contributions to the law enforcement officers' and fire fighters' retirement system:

General Fund Appropriation (FY 1998).....	\$ 68,350,000
General Fund Appropriation (FY 1999).....	\$ 72,750,000

Of the appropriations in this subsection, \$50,000 of the general fund fiscal year 1998 appropriation and \$50,000 of the general fund fiscal year 1999 appropriation are provided solely for House Bill No. 1099 (LEOFF retirement plan I). If the bill is not enacted by June 30, 1997, these amounts shall lapse.

(2) There is appropriated for contributions to the judicial retirement system:

General Fund Appropriation (FY 1998).....	\$ 8,500,000
General Fund Appropriation (FY 1999).....	\$ 8,500,000

(3) There is appropriated for contributions to the judges retirement system:

General Fund Appropriation (FY 1998).....	\$ 750,000
General Fund Appropriation (FY 1999).....	\$ 750,000
TOTAL APPROPRIATION.....	\$ 159,600,000

***NEW SECTION. Sec. 714. SALARY COST OF LIVING ADJUSTMENT**

General Fund--State Appropriation (FY 1998).....	\$ 31,031,000
General Fund--State Appropriation (FY 1999).....	\$ 31,421,000
General	Fund--Federal
Appropriation.....	\$.....
..... 17,578,000	
Salary and Insurance Increase Revolving Account	
Appropriation.....	\$ 48,678,000
TOTAL APPROPRIATION.....	\$ 128,708,000

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the conditions and limitations in this section:

(1) In addition to the purposes set forth in subsections (2) and (3) of this section, appropriations in this section are provided solely for a 3.0 percent salary increase effective July 1, 1997, for all classified employees, including those employees in the Washington management service, and exempt employees under the jurisdiction of the personnel resources board.

(2) The appropriations in this section are sufficient to fund a 3.0 percent salary increase effective July 1, 1997, for general government, legislative, and judicial employees exempt from merit system rules whose salaries are not set by the commission on salaries for elected officials.

(3) The salary and insurance increase revolving account appropriation in this section includes funds sufficient to fund a 3.0 percent salary increase effective July 1, 1997, for ferry workers consistent with the 1997-99 transportation appropriations act.

(4) No salary increase may be paid under this section to any person whose salary has been Y-rated pursuant to rules adopted by the personnel resources board.

*Sec. 714 was vetoed. See message at end of chapter.

<u>NEW SECTION.</u>	Sec. 715.	FOR THE ATTORNEY GENERAL--SALARY
ADJUSTMENTS		
General Fund Appropriation (FY 1998).....	\$	250,000
General Fund Appropriation (FY 1999).....	\$	250,000
Attorney General Salary Increase Revolving		
Account Appropriation.....	\$	500,000
TOTAL APPROPRIATION.....	\$	1,000,000

The appropriations in this section are subject to the following conditions and limitations:

(1) The appropriations are provided solely for increases in salaries and related benefits of assistant attorneys general. The attorney general shall distribute these funds in a manner that will maintain or increase the quality and experience of the attorney general's staff. Market value, specialization, retention, and performance (including billable hours) shall be the factors in determining the distribution of these funds.

(2) To facilitate the transfer of moneys from dedicated funds and accounts, state agencies are directed to transfer sufficient moneys from each dedicated fund or account to the attorney general salary

increase revolving account, hereby created in the state treasury, in accordance with schedules provided by the office of financial management.

***NEW SECTION. Sec. 716. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
COMPENSATION ACTIONS OF PERSONNEL RESOURCES BOARD**

General Fund Appropriation (FY 1998).....	\$ 5,289,000
General Fund Appropriation (FY 1999).....	\$ 10,642,000
Salary and Insurance Increase Revolving Account Appropriation.....	\$ 8,862,000
TOTAL APPROPRIATION.....	\$ 24,793,000

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the conditions and limitations in this section.

(1) Funding is provided to fully implement the recommendations of the Washington personnel resources board consistent with the provisions of chapter 319, Laws of 1996.

(2) Implementation of the salary adjustments for the various clerical classes, physicians, dental classifications, pharmacists, maintenance custodians, medical records technicians, fish/wildlife biologists, fish/wildlife enforcement, habitat technicians, and fiscal technician classifications will be effective July 1, 1997. Implementation of the salary adjustments for safety classifications, park rangers, park aides, correctional officers/sergeants, community corrections specialists, tax information specialists, industrial relations specialists, electrical classifications at the department of labor and industries, fingerprint technicians, some labor relations classifications, health benefits specialists, foresters/land managers, and liquor enforcement officers will be effective July 1, 1998.

*Sec. 716 was vetoed. See message at end of chapter.

NEW SECTION. Sec. 717. INCENTIVE SAVINGS--FY 1998. The sum of seventy-five million dollars or so much thereof as may be available on June 30, 1998, from the total amount of unspent fiscal year 1998 state general fund appropriations is appropriated for the purposes of House Bill No. 2240 or Substitute Senate Bill No. 6045 in the manner provided in this section.

(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings.

(2) The remainder of the total amount, not to exceed seventy million dollars, is appropriated to the education savings account for the purpose of common school construction projects and education technology.

(3) For purposes of this section, the total amount of unspent state general fund appropriations does not include the appropriations made in this section or any amounts included in across-the-board allotment reductions under RCW 43.88.110.

NEW SECTION. **Sec. 718. INCENTIVE SAVINGS--FY 1999.** The sum of seventy-five million dollars or so much thereof as may be available on June 30, 1999, from the total amount of unspent fiscal year 1999 state general fund appropriations is appropriated for the purposes of House Bill No. 2240 or Substitute Senate Bill No. 6045 in the manner provided in this section.

(1) Of the total appropriated amount, one-half of that portion that is attributable to incentive savings, not to exceed twenty-five million dollars, is appropriated to the savings incentive account for the purpose of improving the quality, efficiency, and effectiveness of agency services, and credited to the agency that generated the savings.

(2) The remainder of the total amount, not to exceed seventy million dollars, is appropriated to the education savings account for the purpose of common school construction projects and education technology.

(3) For purposes of this section, the total amount of unspent state general fund appropriations does not include the appropriations made in this section or any amounts included in across-the-board allotment reductions under RCW 43.88.110.

*NEW SECTION. **Sec. 719. FOR THE OFFICE OF FINANCIAL MANAGEMENT--
REGULATORY REFORM**

General Fund--State Appropriation (FY 1998).....	\$	1,821,000
General Fund--State Appropriation (FY 1999).....	\$	1,549,000

General Fund--Federal Appropriation.....		\$
475,000		
General Fund--Private/Local Appropriation.....	\$	136,000
Insurance Commissioner's Regulatory Account		
Appropriation.....	\$	375,000
Accident Account Appropriation.....		\$
482,000		
Medical Aid Account Appropriation.....	\$	520,000
Electrical License Account Appropriation.....		\$
123,000		
Health Professions Account Appropriation.....		\$
581,000		
Unemployment Compensation Administration Account--		
Federal Appropriation.....	\$	220,000
State Toxics Control Account Appropriation.....	\$	164,000
Water Quality Permit Account Appropriation.....	\$	64,000
Air Pollution Control Account Appropriation.....	\$	54,000
Flood Control Assistance Account Appropriation.....	\$	33,000
Waste Reduction/Recycling/Litter Control		
Appropriation.....	\$	18,000
Oil Spill Administration Account Appropriation.....	\$	18,000
Water Quality Account Appropriation.....		\$
15,000		
Air Operating Permit Account Appropriation.....	\$	15,000
Architects' License Account Appropriation.....	\$	46,000
Cemetery Account Appropriation.....		\$
31,000		
Professional Engineers' Account Appropriation.....		\$
41,000		
Real Estate Commission Account Appropriation.....	\$	71,000
Master License Account Appropriation.....	\$	59,000
Uniform Commercial Code Account Appropriation.....		\$
95,000		
Funeral Directors And Embalmers Account		
Appropriation.....	\$	33,000
TOTAL APPROPRIATION.....	\$	7,039,000

The appropriations in this section shall be expended solely for the purposes designated in this section and are subject to the following conditions and limitations in this section:

(1) The funds appropriated in this section are provided solely for implementing the rules review provisions of Engrossed Second Substitute House Bill No. 1032 (regulatory reform) and Engrossed Substitute Senate Bill No. 5105 (state/federal rules).

(2) The office of financial management shall allocate the funds provided in this section to agencies that are subject to the significant legislative rule making requirements of RCW 34.05.328 as amended by Engrossed Second Substitute House Bill No. 1032 (regulatory reform).

(3) Agencies shall submit their expenditure plans for implementing the rules review requirements of Engrossed Second Substitute House Bill No. 1032 (regulatory reform) and Engrossed Substitute Senate Bill No. 5105 (state/federal rules) to the office of financial management by July 1, 1997. Upon granting approval of the agency's plan, the office of financial management shall allocate the funding necessary to carry out the review of existing agency rules.

(4) If neither bill is enacted by June 30, 1997, the amounts appropriated in this section shall lapse.

*Sec. 719 was partially vetoed. See message at end of chapter.

(End of part)

County	Criminal	Justice	Account
Appropriation.....		\$.....	
.....	80,552,471		
Municipal Criminal Justice Account Appropriation....		\$	32,042,450
County Public Health Account Appropriation.....		\$	43,773,588
TOTAL APPROPRIATION.....		\$	923,114,222

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. Sec. 802. FOR THE STATE TREASURER--FEDERAL REVENUES FOR DISTRIBUTION

Forest Reserve Fund Appropriation for federal forest reserve fund distribution.....	\$	58,801,910
General Fund Appropriation for federal flood control funds distribution.....	\$	4,000
General Fund Appropriation for federal grazing fees distribution.....	\$	52,000
General Fund Appropriation for distribution of federal funds to counties in conformance with P.L. 97-99 Federal Aid to Counties.....	\$	885,916
TOTAL APPROPRIATION.....	\$	59,743,826

The total expenditures from the state treasury under the appropriations in this section shall not exceed the funds available under statutory distributions for the stated purposes.

NEW SECTION. Sec. 803. FOR THE STATE TREASURER--TRANSFERS

General Fund: For transfer to the Water Quality Account.....	\$	26,607,000
General Fund: For transfer to the Flood Control Assistance Account.....	\$	4,000,000
State Convention and Trade Center Account: For transfer to the State Convention and Trade Center Operations Account.....	\$	3,877,000
Water Quality Account: For transfer to the Water Pollution Control Account. Transfers shall be made at intervals coinciding with deposits of federal capitalization grant money into the		

account. The amounts transferred shall not exceed the match required for each federal deposit..... \$ 21,688,000

State Treasurer's Service Account: For transfer to the general fund on or before June 30, 1999 an amount up to \$3,600,000 in excess of the cash requirements of the State Treasurer's Service Account..... \$ 3,600,000

Health Services Account: For transfer to the County Public Health Account..... \$ 2,250,000

Public Works Assistance Account: For transfer to the Drinking Water Assistance Account..... \$ 9,949,000

NEW SECTION. Sec. 804. FOR THE DEPARTMENT OF RETIREMENT SYSTEMS--TRANSFERS

General Fund Appropriation: For transfer to the department of retirement systems expense fund for the administrative expenses of the judicial retirement system..... \$ 16,000

(End of part)

PART IX
MISCELLANEOUS

NEW SECTION. **Sec. 901. EXPENDITURE AUTHORIZATIONS.** The appropriations contained in this act are maximum expenditure authorizations. Pursuant to RCW 43.88.037, moneys disbursed from the treasury on the basis of a formal loan agreement shall be recorded as loans receivable and not as expenditures for accounting purposes. To the extent that moneys are disbursed on a loan basis, the corresponding appropriation shall be reduced by the amount of loan moneys disbursed from the treasury during the 1997-99 biennium.

NEW SECTION. **Sec. 902. INFORMATION SYSTEMS PROJECTS.** Agencies shall comply with the following requirements regarding information systems projects when specifically directed to do so by this act.

(1) The agency shall produce a feasibility study for each information systems project in accordance with published department of information services instructions. In addition to department of information services requirements, the study shall examine and evaluate the costs and benefits of maintaining the status quo and the costs and benefits of the proposed project. The study shall identify when and in what amount any fiscal savings will accrue, and what programs or fund sources will be affected.

(2) The agency shall produce a project management plan for each project. The plan or plans shall address all factors critical to successful completion of each project. The plan shall include, but is not limited to, the following elements: A description of the problem or opportunity that the information systems project is intended to address; a statement of project objectives and assumptions; definition of phases, tasks, and activities to be accomplished and the estimated cost of each phase; a description of how the agency will facilitate responsibilities of oversight agencies; a description of key decision points in the project life cycle; a description of variance control measures; a definitive schedule that shows the elapsed time estimated to complete the project and when each task is to be started and completed; and a description of resource requirements to accomplish the activities within specified time, cost, and functionality constraints.

(3) A copy of each feasibility study and project management plan shall be provided to the department of information services, the office of financial management, and legislative fiscal committees. Authority to expend any funds for individual information systems projects is conditioned on approval of the relevant feasibility study and project management plan by the department of information services and the office of financial management.

(4) A project status report shall be submitted to the department of information services, the office of financial management, and legislative fiscal committees for each project prior to reaching key decision points identified in the project management plan. Project status reports shall examine and evaluate project management, accomplishments, budget, action to address variances, risk management, costs and benefits analysis, and other aspects critical to completion of a project.

Work shall not commence on any task in a subsequent phase of a project until the status report for the preceding key decision point has been approved by the department of information services and the office of financial management.

(5) If a project review is requested in accordance with department of information services policies, the reviews shall examine and evaluate: System requirements specifications; scope; system architecture; change controls; documentation; user involvement; training; availability and capability of resources; programming languages and techniques; system inputs and outputs; plans for testing, conversion, implementation, and postimplementation; and other aspects critical to successful construction, integration, and implementation of automated systems. Copies of project review written reports shall be forwarded to the office of financial management and appropriate legislative committees by the agency.

(6) A written postimplementation review report shall be prepared by the agency for each information systems project in accordance with published department of information services instructions. In addition to the information requested pursuant to the department of information services instructions, the postimplementation report shall evaluate the degree to which a project accomplished its major objectives including, but not limited to, a comparison of original cost and benefit estimates to actual costs and benefits achieved. Copies of the postimplementation review report shall be

provided to the department of information services, the office of financial management, and appropriate legislative committees.

NEW SECTION. **Sec. 903. VIDEO TELECOMMUNICATIONS.** The department of information services shall act as lead agency in coordinating video telecommunications services for state agencies. As lead agency, the department shall develop standards and common specifications for leased and purchased telecommunications equipment and assist state agencies in developing a video telecommunications expenditure plan. No agency may spend any portion of any appropriation in this act for new video telecommunication equipment, new video telecommunication transmission, or new video telecommunication programming, or for expanding current video telecommunication systems without first complying with chapter 43.105 RCW, including but not limited to, RCW 43.105.041(2), and without first submitting a video telecommunications expenditure plan, in accordance with the policies of the department of information services, for review and assessment by the department of information services under RCW 43.105.052. Prior to any such expenditure by a public school, a video telecommunications expenditure plan shall be approved by the superintendent of public instruction. The office of the superintendent of public instruction shall submit the plans to the department of information services in a form prescribed by the department. The office of the superintendent of public instruction shall coordinate the use of video telecommunications in public schools by providing educational information to local school districts and shall assist local school districts and educational service districts in telecommunications planning and curriculum development. Prior to any such expenditure by a public institution of postsecondary education, a telecommunications expenditure plan shall be approved by the higher education coordinating board. The higher education coordinating board shall coordinate the use of video telecommunications for instruction and instructional support in postsecondary education, including the review and approval of instructional telecommunications course offerings.

NEW SECTION. **Sec. 904. EMERGENCY FUND ALLOCATIONS.** Whenever allocations are made from the governor's emergency fund appropriation to an agency that is financed in whole or in part by other than general fund moneys, the director of financial management may direct the repayment of such allocated amount to the general fund from any

balance in the fund or funds which finance the agency. No appropriation shall be necessary to effect such repayment.

NEW SECTION. **Sec. 905. STATUTORY APPROPRIATIONS.** In addition to the amounts appropriated in this act for revenues for distribution, state contributions to the law enforcement officers' and fire fighters' retirement system, and bond retirement and interest including ongoing bond registration and transfer charges, transfers, interest on registered warrants, and certificates of indebtedness, there is also appropriated such further amounts as may be required or available for these purposes under any statutory formula or under chapter 39.96 RCW or any proper bond covenant made under law.

NEW SECTION. **Sec. 906. BOND EXPENSES.** In addition to such other appropriations as are made by this act, there is hereby appropriated to the state finance committee from legally available bond proceeds in the applicable construction or building funds and accounts such amounts as are necessary to pay the expenses incurred in the issuance and sale of the subject bonds.

NEW SECTION. **Sec. 907. LEGISLATIVE FACILITIES.** Notwithstanding RCW 43.01.090, the house of representatives, the senate, and the permanent statutory committees shall pay expenses quarterly to the department of general administration facilities and services revolving fund for services rendered by the department for operations, maintenance, and supplies relating to buildings, structures, and facilities used by the legislature for the biennium beginning July 1, 1997.

NEW SECTION. **Sec. 908. AGENCY RECOVERIES.** Except as otherwise provided by law, recoveries of amounts expended pursuant to an appropriation, including but not limited to, payments for material supplied or services rendered under chapter 39.34 RCW, may be expended as part of the original appropriation of the fund to which such recoveries belong, without further or additional appropriation. Such expenditures shall be subject to conditions and procedures prescribed by the director of financial management. The director may authorize expenditure with respect to recoveries accrued but not received, in accordance with generally accepted accounting principles, except that such recoveries shall not be included in revenues or expended against

an appropriation for a subsequent fiscal period. This section does not apply to the repayment of loans, except for loans between state agencies.

NEW SECTION. **Sec. 909. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.** The appropriations of moneys and the designation of funds and accounts by this and other acts of the 1997 legislature shall be construed in a manner consistent with legislation enacted by the 1985, 1987, 1989, 1991, 1993, and 1995 legislatures to conform state funds and accounts with generally accepted accounting principles.

Sec. 910. RCW 43.08.250 and 1996 c 283 s 901 are each amended to read as follows:

The money received by the state treasurer from fees, fines, forfeitures, penalties, reimbursements or assessments by any court organized under Title 3 or 35 RCW, or chapter 2.08 RCW, shall be deposited in the public safety and education account which is hereby created in the state treasury. The legislature shall appropriate the funds in the account to promote traffic safety education, highway safety, criminal justice training, crime victims' compensation, judicial education, the judicial information system, civil representation of indigent persons, winter recreation parking, and state game programs. During the fiscal biennium ending June 30, ((1997)) 1999, the legislature may appropriate moneys from the public safety and education account for purposes of appellate indigent defense, the criminal litigation unit of the attorney general's office, the treatment alternatives to street crimes program, crime victims advocacy programs, justice information network telecommunication planning, sexual assault treatment, operations of the office of administrator for the courts, security in the common schools, ((programs for alternative dispute resolution of farmworker employment claims,)) criminal justice data collection, and Washington state patrol criminal justice activities.

Sec. 911. RCW 82.44.110 and 1995 1st sp.s. c 15 s 2 and 1995 c 398 s 14 are each reenacted and amended to read as follows:

The county auditor shall regularly, when remitting license fee receipts, pay over and account to the director of licensing for the excise taxes collected under the provisions of this chapter. The

director shall forthwith transmit the excise taxes to the state treasurer.

(1) The state treasurer shall deposit the excise taxes collected under RCW 82.44.020(1) as follows:

(a) 1.60 percent into the motor vehicle fund to defray administrative and other expenses incurred by the department in the collection of the excise tax.

(b) 8.15 percent into the Puget Sound capital construction account in the motor vehicle fund.

(c) 4.07 percent into the Puget Sound ferry operations account in the motor vehicle fund.

(d) 5.88 percent into the general fund to be distributed under RCW 82.44.155.

(e) 4.75 percent into the municipal sales and use tax equalization account in the general fund created in RCW 82.14.210.

(f) 1.60 percent into the county sales and use tax equalization account in the general fund created in RCW 82.14.200.

(g) 62.6440 percent into the general fund through June 30, 1995, and 57.6440 percent into the general fund beginning July 1, 1995.

(h) 5 percent into the transportation fund created in RCW 82.44.180 beginning July 1, 1995.

(i) 5.9686 percent into the county criminal justice assistance account created in RCW 82.14.310.

(j) 1.1937 percent into the municipal criminal justice assistance account for distribution under RCW 82.14.320.

(k) 1.1937 percent into the municipal criminal justice assistance account for distribution under RCW 82.14.330.

(l) 2.95 percent into the county public health account created in RCW 70.05.125.

Notwithstanding (i) through (k) of this subsection, no more than sixty million dollars shall be deposited into the accounts specified in (i) through (k) of this subsection for the period January 1, 1994, through June 30, 1995. Not more than five percent of the funds deposited to these accounts shall be available for appropriations for enhancements to the state patrol crime laboratory system and the continuing costs related to these enhancements. Motor vehicle excise tax funds appropriated for such enhancements shall not supplant existing funds from the state general fund. For the fiscal year ending June 30, 1998, and for each fiscal year thereafter, the amounts deposited into the accounts specified in (i) through (k) of this

subsection shall not increase by more than the amounts deposited into those accounts in the previous fiscal year increased by the implicit price deflator for the previous fiscal year. Any revenues in excess of this amount shall be deposited into the (~~general fund~~) violence reduction and drug enforcement account during the 1997-99 fiscal biennium.

(2) The state treasurer shall deposit the excise taxes collected under RCW 82.44.020(2) into the transportation fund.

(3) The state treasurer shall deposit the excise tax imposed by RCW 82.44.020(3) into the air pollution control account created by RCW 70.94.015.

Sec. 912. RCW 69.50.520 and 1995 2nd sp.s. c 18 s 919 are each amended to read as follows:

The violence reduction and drug enforcement account is created in the state treasury. All designated receipts from RCW 9.41.110(7), 66.24.210(4), 66.24.290(3), 69.50.505(h)(1), 82.08.150(5), 82.24.020(2), 82.64.020, and section 420, chapter 271, Laws of 1989 shall be deposited into the account. Expenditures from the account may be used only for funding services and programs under chapter 271, Laws of 1989 and chapter 7, Laws of 1994 sp. sess., including state incarceration costs. During the 1997-1999 biennium, funds from the account may also be used to implement Engrossed Third Substitute House Bill No. 3900 (juvenile code revisions), including local government costs, and costs associated with conducting a feasibility study of the department of corrections' offender-based tracking system. After July 1, (~~1997~~) 1999, at least seven and one-half percent of expenditures from the account shall be used for providing grants to community networks under chapter 70.190 RCW by the family policy council.

Sec. 913. RCW 79.24.580 and 1995 2nd sp.s. c 18 s 923 are each amended to read as follows:

After deduction for management costs as provided in RCW 79.64.040 and payments to towns under RCW 79.92.110(2), all moneys received by the state from the sale or lease of state-owned aquatic lands and from the sale of valuable material from state-owned aquatic lands shall be deposited in the aquatic lands enhancement account which is hereby created in the state treasury. After appropriation, these funds shall be used solely for aquatic lands enhancement projects; for the purchase, improvement, or protection of aquatic lands for public

purposes; for providing and improving access to such lands; and for volunteer cooperative fish and game projects. (~~During the fiscal biennium ending June 30, 1995, the funds may be appropriated for shellfish management, enforcement, and enhancement and for developing and implementing plans for population monitoring and restoration of native wild salmon stock.~~) During the fiscal biennium ending June 30, (~~1997~~) 1999, the funds may be appropriated for boating safety, shellfish management, enforcement, and enhancement and for developing and implementing plans for population monitoring and restoration of native wild salmon stock.

Sec. 914. RCW 86.26.007 and 1996 c 283 s 903 are each amended to read as follows:

The flood control assistance account is hereby established in the state treasury. At the beginning of the 1997-99 fiscal biennium and each biennium thereafter the state treasurer shall transfer four million dollars from the general fund to the flood control assistance account (~~(an amount of money which, when combined with money remaining in the account from the previous biennium, will equal four million dollars)~~). Moneys in the flood control assistance account may be spent only after appropriation for purposes specified under this chapter or, during the (~~1995-97 biennium, for state and local response and recovery costs associated with federal emergency management agency (FEMA) disaster number 1079 (November/December 1995 storms), FEMA disaster number 1100 (February 1996 floods), and for prior biennia disaster recovery costs. To the extent that moneys in the flood control assistance account are not appropriated during the 1995-97 fiscal biennium for flood control assistance, the legislature may direct their transfer to the state general fund~~) 1997-99 fiscal biennium, for transfer to the disaster response account.

NEW SECTION. **Sec. 915.** Within amounts appropriated in this act, the following state agencies or institutions shall implement sections 3, 4, and 5 of Substitute Senate Bill No. 5077 (integrated pest management):

- (1) The department of agriculture;
- (2) The state noxious weed control board;
- (3) The department of ecology;
- (4) The department of fish and wildlife;
- (5) The parks and recreation commission;

- (6) The department of natural resources;
- (7) The department of corrections;
- (8) The department of general administration; and
- (9) Each state institution of higher education, for the institution's own building and grounds maintenance.

***NEW SECTION. Sec. 916. No funding appropriated in this act shall be expended to support the governor's council on environmental education.**

***Sec. 916 was vetoed. See message at end of chapter.**

NEW SECTION. **Sec. 917.** If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. **Sec. 918.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 1997.

(End of part)

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Passed the Senate April 19, 1997.

Passed the House April 17, 1997.

Approved by the Governor April 23, 1997, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State April 23, 1997.

Note: Governor's explanation of partial veto is as follows:

"I am returning herewith, without my approval as to sections 125; 202; 203; 207(1); 207(6); 211(3); 212(2); 213(1); 214; 222(2); 301; 302(3); 302(4); 302(5); 302(6); 302(17); 302(19); 302(20); 302(21); 302(22); 307; 501; 503; 504; 510; 514; 515(3); 515(4); 515(5); 517; 601; 602; 603; 604; 605; 606; 607; 608; 609; 610(1); 610(2); 610(3); 611; 714; 716; 719(lines 6-26); and 916, Substitute Senate Bill No. 6062 entitled:

"AN ACT Relating to fiscal matters;"

On April 20 the Legislature approved Substitute Senate Bill 6062 providing a state operating budget for the 1997-99 Biennium. Today, with my partial veto, I am returning that budget for further deliberation.

In March, I proposed a \$19.2 billion state operating budget designed to create a world class education system, protect working families and the environment, and increase accountability in all areas of government. By controlling growth in many programs and eliminating others altogether, the budget I proposed made hard choices that held growth in state spending to its lowest percentage in 25 years, and stayed within the spending limits established by Initiative 601.

Significant parts of the Legislature's budget match the priorities expressed in my budget proposal, while other sections represent reasonable compromises that ensure the efficient delivery of quality services to the citizens of Washington. However, the Legislature's budget is different in two important ways. First, it falls short in providing the excellence we all want for our education system. And secondly, it unnecessarily reduces funding for critical services that help working families, protect abused and neglected children, and safeguard our environment and our economy.

The Legislature has taken the unprecedented action of sending me this budget with sufficient time remaining in the session so that we may resolve our differences and adjourn within the 105 days of this regular session. In the exercise of my veto authority I have acted swiftly, but in a restrained and constructive manner to preserve that opportunity for a timely adjournment.

The issues in contention are limited and can be resolved quickly if the Legislature so chooses. I have focused my attention, and my veto, on several high priorities that I have emphasized from the beginning of my administration: public education, support for working families, services for children and other vulnerable populations, juvenile justice funding, the environment, and fair compensation for teachers and other government employees.

K-12 Education

The state's education reform effort is left without sufficient funding for student learning improvement grants or federal Goals 2000 programs. We are asking teachers to teach to a higher standard and to rigorously assess student achievement by those standards. These funds are a critical component of successful implementation of reform. In addition, the Legislature eliminated support for several targeted state programs that are part of ongoing education reform, including school-to-work grants and funding for internships for principals and superintendents.

The Legislature's proposal increases state matching assistance for property-poor school districts (levy equalization) by only about \$4.5 million per year, and only for some of the districts now eligible for that assistance. This is not a sufficient enhancement in assistance for school districts whose ability to raise local levies is hindered by high property tax rates.

The Legislature also eliminated funding for several programs targeted to serve students in school districts with culturally diverse student populations or special learning needs. It eliminates funding for language instruction for preschool students from homes where English is not the primary language, and proposes a new way to distribute funds for bilingual education without adequate evaluation of the possible impacts of such a change. Eliminating funds for students with special needs forces schools and teachers to divert resources from other students.

Therefore, I have vetoed targeted sections of the Superintendent of Public Instruction budget so that the Legislature can improve its level of funding commitment to K-12 education programs in these and other areas.

Higher Education

While I applaud the Legislature's commitment to access through increased enrollment at colleges and universities, another critical element of accessibility is affordability. This budget provides insufficient funding to increase financial aid for the state's growing higher education population and threatens to limit access to a public higher education by students with low incomes and limited resources.

To recruit and retain quality personnel for the critical mission of educating our state's population into the twenty-first century, the operating budget should include state funding to raise university faculty salaries to levels competitive with peer institutions, mitigate salary disparities for community and technical college part-time faculty, and provide adequate cost-of-living increases for all education employees.

The Legislature needs to create a more effective approach to accountability for higher education institutions. Performance measures, numeric goals and annual improvement targets should not be established through a political process, but with careful deliberation and collaboration between higher education institutions and the Higher Education Coordinating Board and State Board for Community and Technical Colleges. The Legislature's timeline for release of incentive funds is unworkable.

I remain strongly committed to holding institutions of higher education accountable, including financial incentives for improved

performance, and I look forward to working with the Legislature to develop a strong but realistic policy.

Finally, while I support the notion of holding institutions financially accountable for meeting a reasonable enrollment target, the sanction proposed by the Legislature is unworkable.

In order to address these and other issues, funding for each institution must be altered, and therefore I have vetoed most sections of the higher education budget.

Support for Working Families

The budget provides low levels of financial aid and support services for dislocated and unemployed workers and for low-income students in work-based learning programs. Community and technical colleges must continue to improve opportunities and assistance for parents who need to get off welfare and low-wage workers who need to improve their job skills.

The Basic Health Plan budget does not provide reasonable access to affordable health insurance for Washington's low-income working families. The budget would continue the current freeze on enrollment levels. Premium increases in the budget will make this insurance program unaffordable to many families. By increasing the cost of financial sponsorship (by community groups, family members and others who pay premiums on behalf of the previously uninsured) the budget would eliminate coverage for many current enrollees. The Legislature needs to improve funding for the Plan to keep the commitment made by members of both parties when much of the state's health reform act was repealed.

Meeting Our Responsibilities for Children and Others in Need

While I appreciate and applaud the improvements in children's services funding in the conference budget, compared to the original legislative budgets, one key issue still needs to be addressed: I urge the Legislature to add additional field staff for Children and Family Services. My budget included funding to ensure that the minimum legal and policy requirements would be met as the agency works to protect children from abuse and neglect.

The Legislature's budget also requires that General Assistance-Unemployable recipients needing alcohol or drug treatment be assigned a protective payee to protect their cash assistance. While I support the concept of protective payees in this program, the legislative budget proposes unnecessarily deep reductions in the General Assistance program. I cannot support policy changes that increase administrative costs when basic cash and medical assistance benefits are not adequately funded. We should be able to devise a final budget that provides increased accountability while meeting our responsibility to those unable to participate in the workforce.

Affordable child care is a crucial part of successfully moving people from welfare to work. I will work with the Legislature to devise a workable co-payment schedule for low income working parents supported by adequate funding in the budget.

Water and the Columbia River Gorge Commission

Water is critical for the state's economy, our fish and our quality of life. Funding for water issues in the Dept. of Ecology is not adequate. In addition, no funding is included for progress on water issues in the Departments of Health, Fish and Wildlife, and Community, Trade, and Economic Development. In order to break the water resources impasse, these agencies must have adequate funding for water resource management.

Although I have vetoed funding for water-related legislation that has not yet passed, my administration will continue to work with legislators to reach agreement on these bills and a funding package. My intent is to keep our options for progress open. As water legislation reaches my desk, only adequately funded measures will be considered for approval.

The funding provided for the Columbia River Gorge Commission is inadequate to meet state and federal obligations under the National Scenic Area Act (P.L. 99-663) and the Scenic Area Compact (RCW 43.97). Failure to restore full funding is likely to result in the U.S. Secretary of Agriculture assuming direct control of all permitting within the scenic area under Section 14(e) of the act.

Juvenile Justice

The Department of Corrections and the Juvenile Rehabilitation Administration within DSHS are affected by the Juvenile Justice legislation currently being considered. I have been encouraged by the good faith efforts of the fiscal chairs to fully fund the legislation. At least one version currently under consideration would require a reallocation of resources among agencies without increasing the total funding. My vetoes are intended to take advantage of the opportunity to reallocate the funds to match the final bill.

Teacher and Other Compensation

K-12 teachers, Higher Education faculty and staff, certain vendors, and state employees have had one 4 percent cost of living adjustment in four years. The Legislature's budget proposes to provide one 3 percent increase in two years. In the past, teachers and other public employees have shared the burden of economic tough periods in budgets that provided no salary increases. This is not such a time. We have granted tax cuts and continue to have ongoing revenue we can spend under the Initiative 601 limit. By barely covering the one-half of the anticipated cost of inflation in the next two years, we risk losing our best teachers, faculty and other public servants. The legislative budget also lags implementation of SB 6767 salary adjustments. We can and must do better.

For these reasons, I have vetoed the following sections of the budget:

Section 125, pages 12-16 (Department of Community, Trade, and Economic Development);

Section 202, pages 27-31 (Department of Social and Health Services C Children and Family Services Program);

Section 203, pages 31-34 (Department of Social and Health Services C Juvenile Rehabilitation Administration);

Section 207 (1), page 43, General Assistance-Unemployable Program (Department of Social and Health Services C Economic Services Program);

Section 207 (6), pages 43-44, Child Care (Department of Social and Health Services C Economic Services Program);
Section 213 (1), page 49, Vendor Rate Increases (Department of Social and Health Services);
Section 214, pages 50-51 (State Health Care Authority);
Section 222 (2), pages 59-60 (Department of Corrections, Institutional Services);
Section 301, page 64 (Columbia River Gorge Commission);
Section 302 (3), (4), (5), and (6), pages 66-67; and (19), (20), (21), and (22), page 69, provisos relating to water bills (Department of Ecology);
Section 307, pages 72-75 (Department of Fish and Wildlife);
Section 501, pages 82-88, For State Administration (Superintendent of Public Instruction);
Section 503, pages 94-97, For Basic Education Employee Compensation (Superintendent of Public Instruction);
Section 504, pages 98-100, For School Employee Compensation (Superintendent of Public Instruction);
Section 510, pages 105-106, For Local Effort Assistance (Superintendent of Public Instruction);
Section 514, pages 107-108, Education Reform Programs (Superintendent of Public Instruction);
Section 515 (3), (4), (5), pages 109, For Transitional Bilingual Programs (Superintendent of Public Instruction);
Section 517, pages 110-112, Local Enhancement Funds (Superintendent of Public Instruction);
Section 601 through 609, pages 113-125 (Higher Education);
Section 610 (1), (2), (3), pages 125-126 (Higher Education Coordinating Board C Policy Coordination and Administration);
Section 611, pages 127-130 (Higher Education Coordinating Board C Financial Aid and Grant Programs);
Section 714, page 138 (Salary Cost of Living Adjustment); and
Section 716, pages 139-140 (Compensation Actions of Personnel Resources Board).

Other Issues Needing Resolution

While I have chosen to use my veto authority selectively to address major issues presented by the Legislature's budget, I am also concerned about several other areas of the budget. These include the level of funding for the Growth Management Hearings Boards, the Office of Financial Management, agencies for Health Policy, the Department of Natural Resources, and the State Patrol.

Of particular concern are reductions in the Department of Health budget and for the General Assistance-Unemployable program.

In the Department of Health, additional funding is required for the AIDS Prescription Drug Program to continue to make available successful drug therapies both for current enrollees and anticipated demand. These drugs are proving very beneficial in improving the health and life expectancy of people with HIV.

In addition, I continue to place a priority on establishing a comprehensive Child Death Review system. Other states, including Oregon, have found real benefits for children in understanding the causes of all child deaths in their states. I urge the Legislature to make this additional investment in our children's health and safety.

Finally, in the Department of Health, the 70 percent reduction in current funding levels for the pesticide program will harm the ability of farmers, workers and the public to use pesticides safely.

Reductions to the General Assistance-Unemployable program will result in discontinuation of cash and medical assistance for 4,000 disabled people in communities throughout the state. Besides the human cost of this reduction, local governments, merchants, and social services agencies will bear the brunt of this reduction.

Budget discussions over the remaining days of the legislative session are an opportunity for us to resolve these important issues as well.

Additional Vetoes

In addition to the items above, I have also vetoed a number of items for the reasons set out below:

Section 211 (3), page 47, (Department of Social and Health Services C Administration and Supporting Services)

Consistent with my opposition to any measure which is divisive, hurtful or disrespectful of our fellow Washingtonians, I have vetoed this proviso.

Section 212 (2), page 48, Child Support Waiver (Department of Social and Health Services C Child Support Program)

This proviso requires the Department of Social and Health Services (DSHS) to request a waiver from federal support enforcement regulations to replace current program audit criteria with performance measures based on program outcomes. The federal government has already replaced its process-based audit criteria with performance-based criteria. DSHS currently operates under a performance-based agreement with the federal government. There is no need for a waiver, therefore I have vetoed this proviso.

Section 302 (17), page 68, Restriction on the purchase of special purpose (four-wheel drive) vehicles (Department of Ecology)

Section 302 (17) requires the Department of Ecology (DOE) to reduce its fleet of special purpose vehicles by 50 percent by June 30, 1999. In addition, DOE is required to replace the special purpose vehicles with fuel efficient vehicles or not replace them at all, depending on the agency's vehicle requirements. This restriction will severely impair DOE's ability to reach remote areas to attain water quality samples, respond to oil and hazardous materials spills, and support the Washington Conservation Corps program.

Section 719, page 142, Lines 6-26 (For the Office of Financial Management C Regulatory Reform)

This section makes appropriations to the Office of Financial Management for allocations to agencies for the implementation of Engrossed Second Substitute House Bill 1032 (regulatory reform) and Engrossed Substitute Senate Bill 5105 (state/federal rules). This funding is based on estimated impacts of an earlier version of House Bill 1032. It is not clear that the amount is sufficient for the current version of the bill, which reduces certain costs but adds

provisions that will impact a wider group of agencies. I am also concerned to find that no additional funding is provided to implement Engrossed Substitute Senate Bill 5105, which also requires agencies to review their rules, but on a different schedule and with different criteria than the ones required under the House bill. On March 25, 1997, I signed an Executive Order requiring agencies to implement key features of regulatory reform, including a review of their major rules; however, I do not expect agencies to be able to absorb the costs of doing multiple comprehensive reviews of their rules. For these reasons I have vetoed this proviso, to give the Office of Financial Management greater flexibility and will work with the Legislature to perfect funding levels and language in the final budget.

Section 916, page 154, Prohibition on expenditures for the Governor's Council on Environmental Education

Section 916 prohibits the use of funds in the omnibus appropriations act on the Governor's Council on Environmental Education. There are eleven state agencies that work with the state's environmental community and federal agencies on environmental education related activities. Funding for the Council is necessary to promote efficient and coordinated efforts in this area.

With the exception of sections 125; 202; 203; 207 (1); 207 (6); 211 (3); 212 (2); 213 (1); 214; 222 (2); 301; 302 (3); 302 (4); 302 (5); 302 (6); 302 (17); 302 (19); 302 (20); 302 (21); 302 (22); 307; 501; 503; 504; 510; 514; 515 (3); 515 (4); 515 (5); 517; 601; 602; 603; 604; 605; 606; 607; 608; 609; 610 (1); 610 (2); 610 (3); 611; 714; 716; 719 (lines 6-26); and 916, Substitute Senate Bill 6062 is approved."
